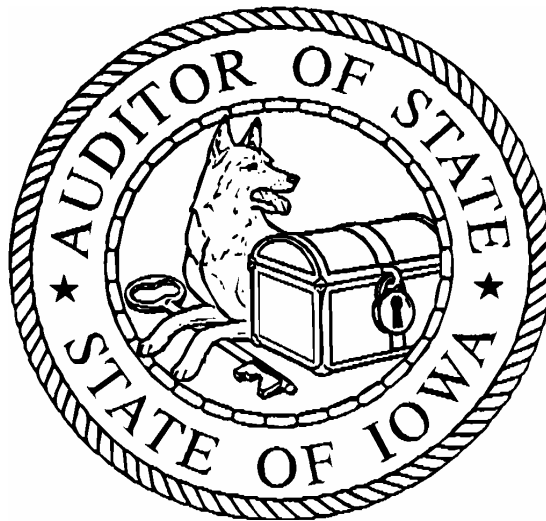


COMMUNITY COLLEGE AUDIT PROGRAM GUIDE

For the year ended June 30, 2004



DAVID A. VAUDT , CPA
AUDITOR OF STATE

COMMUNITY COLLEGE AUDIT PROGRAM GUIDE**COMMUNITY COLLEGE** _____**June 30, 2004****FILE INDEX**

<u>N/A</u>	<u>Incl.</u>	
_____	_____	GF-1 Audit Planning
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_____	_____	GF-3 Internal Control
_____	_____	GF-4 Review of Minutes
_____	_____	GF-5 College's June 30 Financial Statements/Reports
_____	_____	GF-6 Planning Materiality and Audit Risk
_____	_____	GF-7 Analytical Procedures
_____	_____	GF-8 Time Budget and Progress Reports
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_____	_____	GF-10 Audit and Accounting Problems
_____	_____	GF-11 Conferences (including Exit)
_____	_____	GF-12 Items for Comment
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_____	_____	GF-14 Representation Letter
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_____	_____	GF-17 Opinion, Disclosure and Other Report Information, Including Draft Management Discussion and Analysis
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_____	_____	GF-20 Pending Matters/Status of Prior Year Comments
_____	_____	GF-21 Review Notes - deleted by _____ Date _____
_____	_____	GF-22 Incharge Review Questionnaire
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_____	_____	GF-25 Prior Year Audit Report
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COMMUNITY COLLEGE _____**June 30, 2004****AUDIT PLANNING**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
Audit Objectives:					
A. Plan and document planning of audit. B. Consider Single Audit implications. C. Determine preliminary planning materiality. D. Consider the effect on financial statements of non-compliance with laws and regulations. E. Determine audit approach.					
Audit Procedures:					
A. Job number _____					
B. Assigned staff: _____ Independent? _____ Manager _____ Incharge _____ Staff _____ _____	A				
C. Timing:	A				
D. If prior year audit was performed by another firm:	A				
1. Obtain copy of the auditor's reports on the financial statements, compliance and internal control.					
2. Obtain copies of appropriate workpapers.					
3. Make the appropriate inquiries of the predecessor auditor addressed in SAS No. 84. (AU Section 315).					
4. Firm: _____					
Contact Person: _____					
Telephone: _____					
E. Review prior year audit report, planning memorandum and other working papers.	A,B,F				
1. Note any departures from an unqualified opinion.					
2. Note any specific areas of comment in the prior audit report. Determine if appropriate corrective action was taken and document current status.					

June 30, 2004

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
3. Note any areas of special emphasis recommended for this year's audit by the prior auditor. 4. Note items for next year's audit in prior year's workpapers. 5. Note any non-report comments that may affect this year's audit. F. Review permanent file and determine status of the following and update as necessary: 1. Identification of the financial reporting entity and compliance with GASB 14, as amended by GASB 39. a. Identify the primary government. b. Identify and document consideration of component units. c. Identify and document relationships with organizations other than component units. 2. Nature of business and legal environment. 3. Applicable state and federal regulations. 4. Administrative and accounting personnel. 5. As applicable, federal program personnel. 6. Organization chart. 7. Chart of accounts and accounting manual. 8. Use of outside service organizations. 9. Use(s) of IS systems. 10. Methods used to process significant accounting information. 11. Long-term leases, contracts and commitments. 12. List of officials, terms and mailing addresses. G. Conduct entrance conference. Discuss and document pertinent information. H. Request that the College assemble all necessary information, records and documents. I. Determine the extent of involvement, if any, of other independent audit firms (i.e., for audits of material component units, audits conducted as a joint audit, or other reliance on external auditors), consultants, specialists or internal auditors. Where applicable, follow the guidance in	A,B,F				
	A				
	A,B,F				

COMMUNITY COLLEGE _____**June 30, 2004****AUDIT PLANNING**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
AU 543 ("Part of Audit Performed by Other Independent Auditors"), AU 322 ("Auditor's Consideration of the Internal Audit Function"), AU 336 ("Using Work of Specialist" – as revised by SAS 73) and <u>Government Auditing Standards</u> , Chapter 3.06.					
J. Inquire about related party transactions.	A,F				
K. Minutes:	A,F				
1. Review minutes through most recent meeting and document significant Board action, including subsequent events.					
2. Determine and document if minutes were signed.					
3. Determine, on a test basis, if meetings were preceded by proper notice in accordance with Chapter 21.4 of the Code of Iowa.					
4. Determine if minutes document that the Board followed proper proceedings for any closed sessions in accordance with Chapter 21.5 of the Code of Iowa.					
a. The session was closed by affirmative roll call vote of at least two-thirds of the members.					
b. The specific exemption under Chapter 21.5 of the Code was identified and documented.					
c. Final action was taken in open session.					
5. Determine if the minutes show information sufficient to indicate the vote of each member present as required by Chapter 21.3 of the Code of Iowa.					
6. Look for Board approval or mention of contracts or agreements having 28E characteristics. Then refer to the 28E subsection in the "Audit Planning" section of audit program.					
L. Obtain copy of College's June 30 financial statements/reports.	A				
M. Evaluate and document any nonaudit service to determine that <u>Government Auditing Standards</u> , paragraph 3.13, in regard to Independence will not be impaired. If the nonaudit service involves a total of 40 hours or fewer, then the de-minus rule applies and independence will not be impaired. Discuss with Manager, if necessary.					
N. 28E Organizations:	A,F				
1. Determine if the College was a member of a Chapter 28E organization of the Code of Iowa with gross receipts in excess of \$100,000 in a fiscal year.					

COMMUNITY COLLEGE _____**June 30, 2004****AUDIT PLANNING**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
2. If so, determine if arrangements have been made for an audit of the 28E organization in accordance with Chapter 11.6 of the Code of Iowa. 3. Review the College's policies and procedures for entering into 28E contracts or agreements. 4. Inquire of College officials if any 28E contracts or agreements were entered into during the current fiscal year. O. Determine and document judgments about: 1. Audit risk for all account balances and transaction classes. (AU 312.13) 2. Materiality levels by opinion units. If done at interim, update materiality levels at the balance sheet date. 3. Materiality level for each major federal program. If done at interim, update materiality levels at balance sheet date. P. Apply preliminary analytical procedures. 1. Compare current year information to information with a plausible relationship. 2. Identify expectations and document basis of expectations. 3. Identify unusual or unexpected balances or relationships. 4. Determine if matters identified indicate a higher risk of material misstatement. If higher risk is indicated, adjust audit approach accordingly. Q. Prepare all necessary confirmation requests for mailing. R. Send attorney's letter to attorneys and other lawyers consulted on significant matters during the period. Send the letter early during field work with a requested response date one week prior to estimated completion of field work. S. Determine and document a preliminary audit strategy (primarily substantive or a lowered assessed control risk). T. Internal Control: 1. Obtain and document an understanding of the internal controls including those relating to overall compliance with laws and regulations. a. Determine and document whether these internal controls have been placed in operation.					
	A,F,E				
	A,B,F				
	A,B, E,F				

COMMUNITY COLLEGE _____**June 30, 2004****AUDIT PLANNING**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p>b. Assess control risk for relevant financial statement assertions related to each significant account balance or transaction class, including those relating to overall compliance with laws and regulations that have a direct and material effect on the financial statements.</p> <p>1) Identify those financial statement assertions for which tests of controls need to be performed and design and perform the appropriate tests of controls.</p> <p>2) Document conclusions in working papers concerning the assessed level of control risk for the assertions.</p> <p>c. Document the following when control risk is assessed at maximum:</p> <p>1) Determine that performing only substantive tests will reduce detection risk to an acceptable level when evidence of the initiation, recording or processing of financial data exists only in electronic form. (AU 319.04)</p> <p>2) Document the accuracy and completeness of the information used to perform substantive tests when the information is produced by the College's information system. (AU 319.65)</p> <p>d. Obtain and document an understanding of any department's separately maintained records if they are of a significant amount and outside the normal transaction cycle.</p> <p>d. If the College uses a service organization or an organization that is part of the College's information system to process transactions (i.e. payroll processing, bank trust department that invests and holds assets for employee benefit plans, organizations that develop, provide and maintain software for user organizations, etc.), follow AU Section 324 (SAS 70 and SAS 88) to consider and document the effect the service organization has on the internal control of the College (user organization), related control risk assessments, and the availability of evidence to perform substantive procedures.</p>					

COMMUNITY COLLEGE _____**June 30, 2004****AUDIT PLANNING**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p>2. Major federal programs:</p> <ul style="list-style-type: none"> a. Obtain and document an understanding of the internal controls relevant to the common requirements applicable to all major federal programs. b. Determine and document whether these controls have been placed in operation. c. Assess control risk. (The auditor should plan for a low level of control risk). d. Perform tests of controls over each major program (regardless of whether or not choosing to obtain evidence to support an assessment of control risk below maximum). e. Include lack of or ineffective controls as reportable conditions in the report on the internal control. <p>3. If steps U(1) and U(2) are done at interim, determine if tests of controls and assessments of control risk can be extended to the balance sheet date:</p> <ul style="list-style-type: none"> a. Apply the following procedures for the internal control work done: <ul style="list-style-type: none"> 1) Ask whether there have been any changes to internal controls, including federal controls, since interim date. Also consider whether any changes are apparent from substantive (or other) tests done after interim date. 2) Consider the significance of any changes. 3) Obtain evidential matter about the nature and extent of any changes. b. If considered necessary based on the above procedures, perform additional tests of controls and update risk assessments. <p>U. If a computer was used by the College to process significant accounting applications, determine and document the methodology to be used in obtaining evidence. (i.e., manual audit procedures, computer-assisted audit techniques, or a combination of both) (AU 326.12).</p> <p>V. Identify and obtain an understanding of possible additional financial statement effects of pertinent laws and regulations (not already identified in the audit program) which could, if not observed, have a direct and material effect on the financial statements. (ASL GU 5.11)</p>	E				

AUDIT PLANNING

[illegible]

COMMUNITY COLLEGE

June 30, 2004**PRELIMINARY AUDIT STRATEGY**

The attached preliminary audit strategy is to be used to document the following:

- Auditor's understanding of certain preliminary information regarding the entity for planning the audit.
- Identification of significant account balances and classes of transactions.
- Determination of inherent risk and preliminary audit strategy for significant account balances and classes of transactions.
- Identification of the federal programs.
- Applicability of account balances and classes of transactions to federal programs.
- Auditor's fraud risk assessment including identification of fraud risk factors.
- Determination of the common requirements applicable to major federal programs.

COMMUNITY COLLEGE**June 30, 2004****PRELIMINARY AUDIT STRATEGY**

	YES	NO	REMARKS
1. Did the prior year report on the financial statements include departures from an unqualified opinion?			
2. Did the prior year audit identify any reportable conditions or material weaknesses?			
3. Have various account balances or transactions required significant adjustments in prior audits?			
4. Was the approach in the prior year primarily substantive?			
5. Were any significant errors or instances of fraud noted in the prior audit?			
6. Is there any indication there could be substantial doubt about the College's ability to continue as a going concern?			
7. Does the audit require special expertise?			
8. Are specialized skills needed to determine the affect of IS on the audit, to understand the IS controls, or to design tests of controls?			
9. Are there any new accounting and/or auditing pronouncements that may affect the current audit?			
10. Are there any specialized accounting practices or principles applicable to the College? (i.e. pensions)			
11. Have there been any significant changes in accounting practices for the College?			
12. Are there any economic conditions or recent developments that affected the College's operations? (inflation, interest rates, technological changes)			
13. Are there any special regulatory or reporting requirements that apply? (Single Audit)			
14. Is the College economically dependent on a major industry or company such that a change in the industry or company, would adversely effect the College?			
15. Has there been a change in state or federal funding that would significantly impact the operations of the College?			
16. Is any aspect of the College profit motivated?			
17. Have there been any significant changes in the function or responsibilities of the College?			
18. Do the financial statements require use of significant accounting estimates or fair value determinations?			
19. Does the College have multiple locations for significant operations?			

COMMUNITY COLLEGE**June 30, 2004****PRELIMINARY AUDIT STRATEGY**

PROCEDURE	DONE BY	REMARKS																														
<p>20. Complete the fraud risk assessment form.</p> <p>21. Document the following on the preliminary audit strategy summary:</p> <p>a. Identify significant account balances and classes of transactions. Consider planning materiality as well as qualitative matters such as volume of transactions, susceptibility of assets to theft, etc.</p> <p>b. Assess the inherent risk for each of the significant account balances and classes of transactions identified above and document the results. Consider the factors described in the following diagram to assess inherent risk.</p> <table border="1" data-bbox="337 701 1203 1052"> <thead> <tr> <th>HIGHER</th><th>MODERATE</th><th>LOWER</th></tr> </thead> <tbody> <tr> <td>High transaction activity</td><td></td><td>Limited number of transactions</td></tr> <tr> <td>Large dollar value of each transaction</td><td></td><td>Small dollar value</td></tr> <tr> <td>High fluctuation in timing of activity</td><td></td><td>Stable transaction activity</td></tr> <tr> <td>Complex transaction processing</td><td></td><td>Simple transaction processing</td></tr> <tr> <td>Numerous processing steps</td><td></td><td>Few processing steps</td></tr> <tr> <td>Cannot be reconciled</td><td></td><td>Can be reconciled</td></tr> <tr> <td>Misstatements not self-detecting</td><td></td><td>Self-detecting</td></tr> <tr> <td>Highly susceptible to theft or loss</td><td></td><td>Low susceptibility</td></tr> <tr> <td>High potential for omitted activity</td><td></td><td>Low potential for omitted activity</td></tr> </tbody> </table> <p>c. If Single Audit is applicable, identify the major federal programs using the Single Audit Preliminary Audit Strategy form.</p> <p>d. Identify the significant account balances and classes of transactions applicable to major federal programs.</p> <p>e. Considering the responses to questions 1-19 above, determination of inherent risk and other relevant information, identify whether the preliminary audit strategy for the significant account balances and transaction classes will be primarily substantive or one based on a lower planned assessed level of control risk.</p> <p>f. Identify the common requirements applicable to each major federal program and determine the audit approach for each category.</p> <p>g. Indicate whether test of controls are applicable or comment on whether controls do not exist or cannot be tested.</p> <p>22. Identify other matters considered in determining the preliminary audit strategy.</p> <p>23. Identify any matters that could increase the risk of material misstatement of the financial statements due to errors, fraud, and other non-compliance.</p>	HIGHER	MODERATE	LOWER	High transaction activity		Limited number of transactions	Large dollar value of each transaction		Small dollar value	High fluctuation in timing of activity		Stable transaction activity	Complex transaction processing		Simple transaction processing	Numerous processing steps		Few processing steps	Cannot be reconciled		Can be reconciled	Misstatements not self-detecting		Self-detecting	Highly susceptible to theft or loss		Low susceptibility	High potential for omitted activity		Low potential for omitted activity		
HIGHER	MODERATE	LOWER																														
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High potential for omitted activity		Low potential for omitted activity																														

PRELIMINARY AUDIT STRATEGY
FRAUD RISK ASSESSMENT

I. BRAINSTORMING CONFERENCE

Instructions: Members of the audit team are required to discuss the susceptibility of the government's financial statements to material misstatement due to fraud. The discussion should include an open exchange of ideas (brainstorming). The discussion should also emphasize the importance of exercising professional skepticism throughout the audit. The discussion may occur prior to, or in conjunction with, other audit planning procedures, but should take place each year.

Single Audit Yes_____ No_____

[illegible]

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COMMUNITY COLLEGE _____**June 30, 2004****PRELIMINARY AUDIT STRATEGY**
FRAUD RISK ASSESSMENT

Matters that should be discussed include:

- a. How and where the financial statements might be materially misstated due to fraud.
- b. How management could perpetrate and conceal fraudulent financial reporting.
- c. How the perpetrators could misappropriate government assets.
- d. Known external and internal factors affecting the government that might (1) create incentives/pressures to commit fraud, (2) provide the opportunity for fraud to take place, and (3) reveal attitudes or rationalization about why fraud is acceptable behavior.
- e. The nature and risk of management override of controls.
- f. How best to respond to these fraud risks through the design of audit procedures.
- g. The importance of maintaining an appropriate attitude of professional skepticism throughout the audit when considering the risk of material misstatement due to fraud.

The discussion should not be influenced by past favorable experience with the integrity of management.

The discussion should abandon neutrality and presume the possibility of dishonesty at various levels of management.

The discussion should focus on the financial statement areas vulnerable to fraud presuming that management, employees, or volunteers were inclined to perpetrate fraud.

3. Did information arise during the brainstorming meeting that may be relevant to identifying risks of material misstatement due to fraud?

_____ Yes (Document on Part IV)

_____ No

Comments:

COMMUNITY COLLEGE _____

PRELIMINARY AUDIT STRATEGY
FRAUD RISK ASSESSMENT**June 30, 2004****II. INQUIRIES ABOUT THE RISKS OF FRAUD**

Instructions: Auditors are required to make inquiries of management and others about the risks of fraud. Inquiries should be made each year in the planning stage of the audit. This form can be used to document the auditor's inquiries of management and other employees. Conducting one-on-one interviews with members of management and other employees is the most appropriate way of accomplishing the objectives of the inquiry process. Management interviewed should include, at a minimum, all those who sign the management representation letter.

If the audit is a Single Audit, completion of this procedure should include consideration of both the audit of the financial statements and the federal awards. Alternatively, the auditor may wish to complete separate forms.

(A separate form should be used for each person interviewed)

A. Management Personnel Interviewed:

Name	Title	Date
_____	_____	_____
_____	_____	_____
_____	_____	_____

1. Inquire of the government's management about whether it is aware of (1) actual or suspected fraud, or (2) any allegations of fraud (e.g., communications from employees or others). Describe.

2. Inquire of the government's management about its understanding of the risks of fraud within the government, including any specific risks identified or account balances or transaction classes where fraud is likely to occur. Describe.

3. Inquire of the government's management about the programs and controls that it has established to mitigate fraud risks and how it monitors such programs and controls. Describe.

COMMUNITY COLLEGE _____**June 30, 2004****PRELIMINARY AUDIT STRATEGY**
FRAUD RISK ASSESSMENT

4. Inquire of the government's management about the nature and extent of monitoring of operating locations, where applicable, and whether there are particular units for which a risk of fraud may be more likely to exist. Describe.

5. Inquire of the government's management about whether and how it communicates to employees its views on business practices and ethical behavior. Describe.

6. Inquire of the government's management about whether it has reported to the audit committee, or its equivalent, on how the government's internal control monitors the risks of material fraud. Describe.

7. Inquire of the government's management about their compliance with laws and regulations. Describe.

8. Did information arise from inquiries of management that should be considered further in identifying risks of material misstatement due to fraud?

___ Yes (Document on Part IV)

___ No

Comments:

COMMUNITY COLLEGE _____**June 30, 2004****PRELIMINARY AUDIT STRATEGY**
FRAUD RISK ASSESSMENT**B. Others Interviewed:**

Name	Title	Date
_____	_____	_____
_____	_____	_____
_____	_____	_____

1. Inquire of others within the government (e.g., operating personnel not directly involved in the financial reporting process and employees with different levels of authority) about any actual fraud or suspected fraud. Describe.

2. Did information arise from inquiries of others that should be considered further in identifying risks of material misstatement due to fraud?

_____ Yes (Document on Part IV)

_____ No

Comments:

COMMUNITY COLLEGE _____**June 30, 2004****PRELIMINARY AUDIT STRATEGY**
FRAUD RISK ASSESSMENT

C. Others Interviewed:

Name	Title	Date
_____	_____	_____
_____	_____	_____
_____	_____	_____

1. Inquire of individuals involved in the financial reporting process about inappropriate or unusual activity relating to the processing of journal entries and other adjustments. Describe.

2. Did information arise from inquiries of others that should be considered further in identifying risks of material misstatement due to fraud?

_____ Yes (Document on Part IV)

_____ No

Comments:

COMMUNITY COLLEGE _____**June 30, 2004****PRELIMINARY AUDIT STRATEGY**
FRAUD RISK ASSESSMENT**D. Audit Committee or Equivalent Personnel Interviewed:**

Name	Title	Date
_____	_____	_____
_____	_____	_____

- Where applicable, inquire of the audit committee or its equivalent, or at least its chair, about (1) its views about the risks of fraud, (2) whether it has knowledge of any actual fraud or suspected fraud, and (3) how it exercises its oversight of the government's assessment of risks of fraud and the programs and controls the government has adopted to mitigate those risks. Describe.

- Did information arise from inquiries of audit committee or equivalent personnel that should be considered further in identifying risks of material misstatement due to fraud?

_____ Yes (Document on Part IV)

_____ No

Comments:

COMMUNITY COLLEGE _____**June 30, 2004****PRELIMINARY AUDIT STRATEGY**
FRAUD RISK ASSESSMENT

E. Internal Audit Personnel Interviewed:

Name	Title	Date
_____	_____	_____
_____	_____	_____

- Where applicable, inquire of internal audit personnel about: (1) their views of the risks of fraud, (2) any procedures they performed to identify or detect fraud during the period under audit, (3) management's response to the findings, and (4) whether they have knowledge of any actual fraud or suspected fraud. Describe.

- Did information arise from inquiries of internal audit personnel that should be considered further in identifying risks of material misstatement due to fraud?

_____ Yes (Document on Part IV)

_____ No

Comments:

COMMUNITY COLLEGE _____

June 30, 2004

**PRELIMINARY AUDIT STRATEGY
FRAUD RISK ASSESSMENT**

Question	YES	NO	N/A	REMARKS
III. FRAUD RISK ASSESSMENT				
<p>Instructions: Complete the following questions to document your consideration of risk factors that might indicate an increased risk of material misstatement due to fraud. "Yes" answers do not necessarily indicate an increased risk, but should be considered when assessing the risk of <u>material</u> misstatement due to fraud. If fraud risk factors are present, but other controls exist that compensate for that risk, document the mitigating factors in the remarks column.</p>				
<u>RISK FACTORS RELATING TO FRAUDULENT FINANCIAL REPORTING</u>				
A. Incentives/Pressures				
1. Is there significant pressure on meeting performance targets?				
2. Is a significant portion of management's compensation or performance assessment dependent on budgetary goals, program results, or other incentives?				
3. Do unrealistic performance targets exist?				
4. Were there numerous significant budget modifications in prior periods?				
5. Is there a lack of formal budgeting policies and procedures?				
6. Is the current management unable to make reasonable estimates of tax revenues, expenditures, or cash requirements?				
7. Has the credit rating for the government's securities been downgraded by an independent agency since the prior period?				
8. Do individuals outside of management or the governing body have substantial influence over the operations of one or more governmental units?				
9. Has management set unduly aggressive financial targets and expectations for operating personnel?				
10. Is the government subject to new accounting, statutory, or regulatory requirements that could impair its operating efficiency or financial stability?				
11. Is the government experiencing rapid changes, such as rapid changes in technology or rapid changes in citizen's service expectations?				
12. Is the government experiencing a poor or deteriorating financial condition (for example, a declining tax base, declining economy, or other anticipated loss of revenue sources)?				
13. Is the government having difficulty generating cash flows from operating activities?				

COMMUNITY COLLEGE**June 30, 2004****PRELIMINARY AUDIT STRATEGY
FRAUD RISK ASSESSMENT**

Question	YES	NO	N/A	REMARKS
14. Has the government experienced unusually rapid growth or improved financial results, especially when compared to other governments?				
15. Is the government highly vulnerable to changes in interest rates?				
16. Is the government unusually dependent on debt financing?				
17. Do the government's financing agreements have debt covenants that are difficult to maintain?				
18. Is the government facing the threat of imminent bankruptcy?				
19. Is there significant pressure to obtain additional funding to maintain services?				
20. Is there a high degree of competition for federal or state awards?				
21. Is there declining federal and state program funding levels on a national or regional level?				
22. Is there a declining number of eligible participants, benefit amounts, and/or enrollments in award programs?				
23. Is there complex or frequently changing compliance requirements?				
24. Is there a mix of fixed price and cost reimbursable program types that create incentives to shift costs?				
B. Opportunities				
1. Is management dominated by a single individual or a small group without compensating controls, such as effective oversight by the governing body?				
2. Does the governing body or management lack understanding or experience regarding the operation or responsibilities of the government?				
3. Are internal controls inadequately monitored by management?				
4. Has management continued to employ ineffective accounting or IT (information technology) personnel?				
5. Has there been a high turnover in management level employees, bankers, attorneys, or auditors?				
6. Does the level of communication between accounting managers and data processing or IT departments appear to be inadequate?				
7. Are assets, liabilities, revenues, and expenditures or expenses based on significant estimates that involve unusually subjective judgments or uncertainties or that could significantly change in the near term in a manner that may be financially disruptive?				

COMMUNITY COLLEGE**June 30, 2004****PRELIMINARY AUDIT STRATEGY
FRAUD RISK ASSESSMENT**

Question	YES	NO	N/A	REMARKS
8. Does the government engage in significant related party transactions not in the ordinary course of business (including transactions with related governments that are unaudited or audited by another firm)?				
9. Does the government have unusual or highly complex transactions (particularly those close to year-end) that are difficult to assess for substance over form?				
10. Does the government have significant bank accounts in locations for which there does not appear to be a clear business justification?				
11. Does the government have an overly complex organizational structure involving numerous component units, subrecipients, related organizations, lines of managerial authority, or contractual arrangements that do not have an apparent purpose?				
12. Does the government have significant relationships with other governments that do not appear to have a clear programmatic or business justification?				
C. Attitudes/Rationalizations				
1. Were there numerous significant audit adjustments in prior periods?				
2. Is there an excessive interest by management to meet performance targets through the use of unusually aggressive accounting practices?				
3. Has management failed to effectively communicate and support the government's values or ethics?				
4. Has management failed to effectively communicate about inappropriate business practices or ethics?				
5. Has management failed to correct known reportable conditions in internal control on a timely basis?				
6. Has management displayed a significant disregard for regulatory requirements, including, when applicable, federal and state award compliance requirements?				
7. Does management have a poor reputation?				
8. Does management have a history of violating laws, regulations, debt covenants, contractual obligations, or federal and state award compliance requirements?				
9. Do non-financial management or personnel excessively participate in the determination of significant estimates or selection of accounting principles?				
10. Are there frequent disputes on accounting, auditing, or reporting matters between management and the current or predecessor auditor?				

COMMUNITY COLLEGE**June 30, 2004****PRELIMINARY AUDIT STRATEGY**
FRAUD RISK ASSESSMENT

Question	YES	NO	N/A	REMARKS
11. Has management made unreasonable demands on the auditor, such as unreasonable time constraints on completion of the audit or an excessive emphasis on reducing the audit fee?				
12. Has management placed restrictions on the auditor (formal or informal) that inappropriately limit access to people or information (or inappropriately limit communication with the governing body or audit committee)?				
13. Has management failed to respond to specific inquiries or to volunteer information regarding significant or unusual transactions?				
14. Has there been domineering behavior by management, especially involving attempts to influence the scope of the auditor's work?				
15. Are there other situations indicating a strained relationship between management and the current or predecessor auditor?				
16. Could the government face adverse consequences on a significant pending transaction (such as issuance of debt or receipt of a grant) if poor financial results are reported?				
17. Does the government have significant investments in high-risk financial investments?				
18. Are there any known personal difficulties or other influences in the lives of management that could adversely affect their integrity, attitude, or performance?				
19. Do other conditions exist that indicate incentives/pressures, opportunities, or attitudes/rationalizations for management to engage in fraudulent financial reporting?				

Do conditions exist that indicate there may be incentives/pressures, opportunities, or attitudes/rationalizations for management to intentionally misstate the financial statements?

___ Yes. (Document on Part IV)

___ No.

Comments:

COMMUNITY COLLEGE**June 30, 2004****PRELIMINARY AUDIT STRATEGY**
FRAUD RISK ASSESSMENT

Question	YES	NO	N/A	REMARKS
<u>RISK FACTORS RELATING TO MISAPPROPRIATION OF ASSETS</u>				
A. Incentives/Pressures				
1. Are there any indications that management or employees with access to cash or other assets susceptible to theft have personal financial obligations that may create pressure to misappropriate assets?				
2. Are there any conditions that may create adverse relationships between the government and employees with access to cash or other assets susceptible to theft, such as the following:				
a. Known or anticipated future employee layoffs?				
b. Recent or anticipated changes to employee compensation or benefit plans?				
c. Promotions, compensation, or other rewards inconsistent with expectations?				
B. Opportunities				
1. Does the government maintain or process large amounts of cash?				
2. Is the government's inventory easily susceptible to misappropriation (such as small size, high value, or high demand)?				
3. Does the government have assets that are easily convertible to cash (such as bearer bonds, etc.)?				
4. Does the government have capital assets that are easily susceptible to misappropriation (such as small size, portability, marketability, lack of ownership identification, etc.)?				
5. Is the government susceptible to fraudulent, unauthorized disbursements (such as vendor or payroll disbursements) being made in amounts that are material to the financial statements?				
6. Is there a lack of management oversight over assets susceptible to misappropriation?				
7. Does the government lack job applicant screening procedures when hiring employees with access to assets susceptible to misappropriation?				
8. Does the government have inadequate record keeping over assets susceptible to misappropriation?				
9. Is there a lack of appropriate segregation of duties that is not mitigated by other factors (such as management oversight)?				

COMMUNITY COLLEGE**June 30, 2004****PRELIMINARY AUDIT STRATEGY**
FRAUD RISK ASSESSMENT

Question	YES	NO	N/A	REMARKS
10. Does the government lack an appropriate system for authorizing and approving transactions (for example, in purchasing or payroll disbursements)?				
11. Are there poor physical safeguards over assets susceptible to misappropriation (for example, inventory not stored in a secured area, cash or investments kept in unlocked drawers, etc.)?				
12. Is there a lack of timely and appropriate documentation for transactions affecting assets susceptible to misappropriation?				
13. Is there a lack of mandatory vacations for employees in key control functions?				
14. Does management have an inadequate understanding of information technology which enables information technology employees to perpetrate a misappropriation?				
15. Are access controls over automated records inadequate (including controls over, and review of, computer system event logs)?				
C. Attitudes/Rationalizations				
1. Do employees who have access to assets susceptible to misappropriation show:				
a. Disregard for the need for monitoring or reducing risks related to misappropriation of assets?				
b. Disregard for internal control over misappropriation of assets by overriding existing controls?				
c. Disregard for internal control over misappropriation of assets by failing to correct known internal control deficiencies?				
2. Do employees who have access to assets susceptible to misappropriation exhibit behavior indicating displeasure or dissatisfaction with the government or its treatment of its employees?				
3. Have you observed any unusual or unexplained changes in behavior or lifestyle of employees who have access to assets susceptible to misappropriation?				

COMMUNITY COLLEGE _____**PRELIMINARY AUDIT STRATEGY**
FRAUD RISK ASSESSMENT**June 30, 2004**

Do conditions exist that indicate there may be incentives/pressures, opportunities, or attitudes/rationalizations for management to intentionally misstate the financial statements?

____ Yes. (Document on Part IV)

____ No.

Comments:

List any additional fraud factors or conditions identified as being present. Additional factors may have been identified through inquiry of management in the entrance conference. Also, document any compensating controls.

If improper revenue recognition was not identified as a risk of material misstatement due to fraud, describe the reasons regarding how that presumption was overcome.

PRELIMINARY AUDIT STRATEGY **FRAUD RISK ASSESSMENT**

IV. RESPONSE TO FRAUD RISKS

1. *Overall response* – Describe your overall response to identified fraud risks, including (1) assignment of personnel and supervision, (2) scrutiny of management’s selection and application of significant accounting principles, and (3) including an element of unpredictability in audit procedures and tests.

-
- This image shows a single sheet of white paper with horizontal blue or grey ruling lines. The lines are evenly spaced and run across the width of the page. There are approximately 20 lines visible. The paper has a slight shadow on the right side, suggesting it's resting on a surface. There is no handwriting or other markings on the paper.

COMMUNITY COLLEGE _____

June 30, 2004

PRELIMINARY AUDIT STRATEGY
FRAUD RISK ASSESSMENT

3. *Response to address management override of controls* – Because management override of controls can occur in unpredictable ways, the risk of management override of controls is always an identified fraud risk and the auditor is required to perform certain specified procedures to respond to such risk. These procedures relate to (1) examining journal entries and other adjustments, (2) reviewing accounting estimates for biases, and (3) evaluating the business rationale for significant unusual transactions.

See audit program step D on audit program section Trial BalancesSee audit program steps J and K on audit program section Completion of Audit

Incharge: _____ Date _____

Manager: _____ Date _____

Independent

Review: _____ Date _____

COMMUNITY COLLEGE_____**June 30, 2004****PRELIMINARY AUDIT STRATEGY
SUMMARY**

ACCOUNT BALANCE/ TRANSACTION CLASS	IR	MAJOR PROGRAMS	AUDIT APPROACH		TEST OF CONTROLS (YES/NO)	REPORTABLE CONDITION (YES/NO)
			PRIMARILY SUBSTANTIVE	LOWER RISK		
Cash						
Investments						
Receivables						
Inventory						
Capital Assets / Depreciation						
Liabilities						
Long Term Debt						
Property Tax						
Receipts/Revenues						
Disbursements/Expenditures						
Payroll						
Transfers						
Financial Reporting						
Other:						

IR/Inherent risk - key

H = higher, M = moderate, L = lower

COMMUNITY COLLEGE _____**June 30, 2004****PRELIMINARY AUDIT STRATEGY**
SINGLE AUDIT

- 1) Determine Type A vs. Type B programs using the Program Identification form and the College's Schedule of Expenditures of Federal Awards.
- 2) Determine the risk classification of Type A and primary Type B programs using the Risk Assessment form. The auditor is not required to perform a risk assessment of relatively small Type B programs.
- 3) Identify major programs and determine if the percentage of coverage rule has been met using the bottom of the Determination of Major Programs form.

Major programs must account for at least 50% of total expenditures of federal awards unless the entity is low-risk, in which case, only 25% needs to be met.* The entity is considered low risk if, for each of the prior two years, all of the following conditions have been met:

- A Single Audit is performed on an annual basis.
- Unqualified opinions on the financial statements and Schedule of Expenditures of Federal Awards were issued.
- No material weaknesses in internal control under the requirements of Governmental Auditing Standards (relating to the financial statements) were noted. **
- No internal control deficiencies identified as material weaknesses were noted for all Type A programs.
- No material non-compliance was noted for all Type A programs.
- There were no known or likely questioned costs exceeding 5% of the program's expenditures for all Type A programs.

*The auditee may have one or more non low-risk Type A *programs* and still qualify as a low-risk *entity*, as long as all Type A programs meet the criteria listed. However, all non low-risk Type A programs must be audited as major programs even if the 25% rule of coverage is met by only a portion of the non low-risk Type A programs.

**However, a waiver that allows the entity to be identified as low-risk may be provided by the cognizant or oversight agency if they judge that an opinion qualification or any identified material weaknesses does not affect the management of federal awards.

NOTE: The inclusion of large loan or loan guarantees (loans) should not result in the exclusion of other programs as Type A programs. When a federal program providing loans significantly affects the number or size of Type A programs, this program shall be considered as a Type A program and exclude its values in determining other Type A programs.

COMMUNITY COLLEGE _____**June 30, 2004****PRELIMINARY AUDIT STRATEGY**
SINGLE AUDIT**PROGRAM IDENTIFICATION**

					Type B	
Federal Program	CFDA #	Federal Awards Expended	% of Total Federal Awards Expended	Type A Program (X)	Primary Program (X)	Relatively Small Program (X)
TOTAL						

Determine the appropriate amounts to be used as program thresholds:

Type A programs equal the \$ _____ Primary Type B programs equal \$ _____
 greater of \$300,000 or 3% of x 3% the greater of \$100,000 or .3% x .3%
 total federal expenditures. \$ _____ of total federal expenditures. \$ _____

Relatively small Type B programs are less than the greater of \$100,000 or .3% of total federal expenditures.

NOTE: A Single Audit is not required if total federal expenditures are less than \$500,000.

COMMUNITY COLLEGE**June 30, 2004****PRELIMINARY AUDIT STRATEGY
TYPE A AND PRIMARY TYPE B PROGRAM RISK ASSESSMENT**

Program Name:						
CFDA #						
Program Type:	A / B	A / B	A / B	A / B	A / B	A / B
Last FY Reviewed **						

Current and Prior Experience:

Program was audited as a major program in one of the last two years. (1)

No reportable conditions or material instances of non-compliance were noted in the most recent audit period. (1)

Persons administering program are experienced and appear competent.

Monitoring of subrecipients is adequate.

Computer systems used for processing are established and adequate.

Prior audit findings have been corrected. (2)

Y / N	Y / N	Y / N	Y / N	Y / N	Y / N	Y / N
Y / N / NA	Y / N / NA	Y / N / NA	Y / N / NA	Y / N / NA	Y / N / NA	Y / N / NA
Y / N / NA	Y / N / NA	Y / N / NA	Y / N / NA	Y / N / NA	Y / N / NA	Y / N / NA
Y / N / NA	Y / N / NA	Y / N / NA	Y / N / NA	Y / N / NA	Y / N / NA	Y / N / NA
Y / N / NA	Y / N / NA	Y / N / NA	Y / N / NA	Y / N / NA	Y / N / NA	Y / N / NA
Y / N / NA	Y / N / NA	Y / N / NA	Y / N / NA	Y / N / NA	Y / N / NA	Y / N / NA

Oversight (Federal and/or Pass-through entities):

Recent monitoring reviews were performed and noted no significant problems.

OMB has not identified the program as a high risk or non-low-risk program in the Compliance Supplement.

Y / N / NA	Y / N / NA	Y / N / NA	Y / N / NA	Y / N / NA	Y / N / NA	Y / N / NA
Y / N	Y / N	Y / N	Y / N	Y / N	Y / N	Y / N

Inherent Risk:

Nature of program is not complex.

There are no eligibility criteria or third party contracts.

There hasn't been significant changes in federal regulations or contract provisions.

Program has been on-going (not the first or last year of the program).

Program's inherent risk (high, moderate, low)

Y / N	Y / N	Y / N	Y / N	Y / N	Y / N	Y / N
Y / N	Y / N	Y / N	Y / N	Y / N	Y / N	Y / N
Y / N	Y / N	Y / N	Y / N	Y / N	Y / N	Y / N
Y / N	Y / N	Y / N	Y / N	Y / N	Y / N	Y / N

Internal Control Consideration:

Assessed level of risk based on evaluation of internal controls for prior year. (Max / Slt / Mod / Low)

--	--	--	--	--	--	--

Overall Risk Analysis:

Low Risk (Type A or B Programs)						
Non-Low Risk (Type A Programs Only)						
High Risk (Type B Programs Only)						

(1) - This criteria must be met in order to consider a Type A program low-risk.

(2) - Auditors should use their judgment. Audit findings from prior year do not preclude the program from being low risk.

**- A-133 states in part that for a Type A program to be considered low-risk, it shall have been audited as a major program in at least one of the two most recent audit periods.

This ensures that all Type A programs are tested as major at least once every three years.

Note: Except for known reportable conditions in internal control or compliance problems, a single criteria would seldom cause a Type B program to be considered high-risk

COMMUNITY COLLEGE _____**June 30, 2004**

PRELIMINARY AUDIT STRATEGY
SINGLE AUDIT
DETERMINATION OF MAJOR PROGRAMS

In order to determine major programs, complete the following steps:

- Enter Type A programs and their risk analysis from the Risk Evaluation form. For non low-risk programs only, enter their percentage of total federal expenditures (from the Program Identification form) in the far right column. If there are no low-risk Type A programs, then determine if total percentage of non low-risk Type A programs exceeds the percent of coverage rule. If it exceeds the minimum percentage required, the determination of major programs is complete.
- Enter primary Type B programs and their risk analysis from the Risk Evaluation form. Select at least half of the Type B programs that were determined to be high risk (may be limited to the number of low-risk Type A programs.) For each high-risk Type B program selected, enter its percentage of total federal expenditures (from the Program Identification form) in the far right column. When identifying which high-risk Type B programs to test as major, the auditor is encouraged to use an approach which provides an opportunity for different high-risk Type B programs to be audited as major over a period of time.
- Determine if the total percentages from these two steps exceed the percent of coverage rule. If it exceeds the minimum percentage required, then the determination of major programs is complete. If the minimum percentage is not met, include additional programs as necessary to meet the percentage of coverage rule.
- For each major program, document the inherent risk from the previous page. If a risk assessment was not required, determine the inherent risk for each major program based on the criteria from the previous page.

A B	Federal Program	CFDA #	Non Low-Risk	Low-Risk	High-Risk	% of Total Expenditures of Federal Awards	Major Program Inherent Risk
	TOTAL						

50% Rule applicable

25% Rule applicable

June 30, 2004

Identify applicable requirements for each major program.

Programs:

CFDA#:

Common Requirements:

Activities allowed or unallowed

Allowable costs / Cost principles

Cash Management

Davis-Bacon Act

Eligibility

Equipment and Real Property Management

Matching, Level of Effort, Earmarking

Period of Availability of Federal Funds

Procurement and Suspension and Debarment

Program Income

Real Property Acquisition/Relocation Assistance

Reporting

Subrecipient Monitoring

Special Tests and Provisions

COMMUNITY COLLEGE _____**June 30, 2004****PLANNING CONFERENCE**
ENTRANCE

IN ATTENDANCE:

<u>College</u>		<u>Auditor</u>	
<u>Name</u>	<u>Title</u>	<u>Name</u>	<u>Title</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

ItemsDiscussion

A. Scope of Audit:

1. Year to be audited.
2. Objectives of audit.
3. Funds to be audited (including component units).
4. Federal financial assistance programs.
5. Additional audit requirements.
6. Reports to be issued.
7. Nonaudit services to be performed and independence restrictions.
8. The audit will be conducted in accordance with U.S. generally accepted auditing standards, Chapter 11 of the Code of Iowa and Government Auditing Standards, issued by the Comptroller General of the United States.

B. Timing of:

1. Fieldwork.
2. Release of report.

C. Availability of records

D. Working space arrangements, if applicable.

E. Extent of internal audit/other client assistance.

COMMUNITY COLLEGE _____**June 30, 2004****PLANNING CONFERENCE**
ENTRANCEItems

F. Auditor's responsibilities for:

Discussed?

1. Testing and reporting on internal controls and compliance with laws and regulations (discussion of ¶ 4.6.8 and 4.6.9 of Yellow Book may be helpful). ☐
2. Discovering and reporting contractual compliance violations and questioned costs. ☐
3. Obtain reasonable, not absolute assurance that the financial statements are free of material misstatement, whether caused by error or fraud. Accordingly, a material misstatement may remain undetected. Also, an audit is not designed to detect error or fraud that is immaterial to the financial statements. ☐
4. Communicating certain matters to audit committee, entity contracting the audit or other party responsible for oversight. (Identify audit committee or other party, if one exists.) ☐
5. Communicating with management if auditor becomes aware that the entity is subject to an audit requirement(s) that is not encompassed in the terms of the engagement. ☐

G. Client responsibilities for:

1. Financial statement assertions and management representation letter accepting such responsibilities. ☐
2. Internal controls. ☐
3. Identifying and ensuring the College complies with all laws, rules and regulations that may have a direct and material effect on the financial statement amounts and for disclosing all known instances of non-compliance. ☐
4. Making all financial records and related information available to the auditor. ☐
5. Providing auditor with representation letter at completion of audit including an affirmation that uncorrected misstatements are immaterial. ☐
6. Adjusting the financial statements to correct material misstatements. ☐
7. Preparing required supplementary information (RSI), including management's discussion and analysis (MD&A), and other supplementary information, if applicable. ☐

H. Status of prior year's audit comments.

COMMUNITY COLLEGE _____**June 30, 2004****PLANNING CONFERENCE**
ENTRANCEItems

- I. Personnel changes.
- J. Accounting problems during the year.
- K. Pending litigation.
- L. Significant accounting policies.
- M. Extent of computerized books and records.
- N. Related party/business transactions.
- O. Potential component units, including changes from prior year.
- P. 28E Organizations in which the College is a participant.
- Q. Understanding of fee and billing arrangement.

COMMUNITY COLLEGE _____**June 30, 2004****PLANNING CONFERENCE**
ENTRANCE

Items

R. Additional items for audit planning:

1. New capital projects or completion of projects from prior year.
2. New grants or completion of grants from prior year.
3. New revenue sources such as special assessments, local option sales tax, etc.
4. Debt issuances or refundings/retirements of debt.
5. Significant changes in College's budget plan from prior year and significant amendments to College's current year budget.
6. Others.

S. Inquire of management about their understanding of the risk of material misstatement due to fraud and whether they have knowledge of fraud that has occurred.

T. Inquire of management about the existence of a program for preventing, deterring or detecting fraud. If a program exists, determine if fraud risk factors have been identified.

U. Inform management about the auditor's responsibilities to inquire of them and others about fraud risk factors relating to financial reporting and misappropriation of assets throughout the audit in accordance with SAS 99.

V. Inquire of management about the existence of any known limitations on the audit.

W. Other items.

Acknowledgement:

College Representative _____

Date _____

COMMUNITY COLLEGE _____**June 30, 2004****PLANNING CONFERENCE**
MANAGER

DATE: _____

TIME: _____

Items Discussion

- A. Last year's items for next year's audit.
- B. Significant findings from audit planning.
- C. Single audit requirements, if applicable.
- D. Results of obtaining an understanding of internal controls.
- E. Nonaudit services to be performed and results of evaluation of independence impairment
- F. Significant audit program modifications.
- G. Planned audit approach.
- H. Audit time budget:
 - 1. Timing of fieldwork.
 - 2. Staff scheduling.
 - 3. Budget variances.
- I. Other.

June 30, 2004

[illegible]

	Initials	Date	Reference
Prepared By			
Checked By			
Approved By			

Planning Materiality

June 30, 2004

Name of Opinion Unit		
	Total Assets	Total Revenue
Date of financial statements from which base is derived		
Base amount	\$	\$
Adjustments:		
Adjusted computation base	\$	\$
Amount from table	\$	\$
Percent x base		
Planning materiality	\$	\$
Use	\$	\$
Tolerable misstatement:		
	\$	\$
Individually significant item:		
	\$	\$

June 30, 2004

FINANCIAL REPORTING ENTITY

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p>Audit Objective:</p> <p>A The financial reporting entity status of the Community College is properly defined and the presentation in the financial statements is correct.</p> <p>B. Relationships with organizations other than component units are identified and properly reported on.</p> <p>Audit Procedures:</p> <p>A. Evaluate potential component units (CU's), including Foundations, of the College to determine if they are CU's and, if so, the method of presentation.</p> <p>1. Yes – is a CU.</p> <p>a. Blended presentation.</p> <p>b. Discrete presentation.</p> <p>c. Related organization note disclosure.</p> <p>2. No – is not a CU.</p> <p>a. Is part of the College and should be reported in same manner as other departments/divisions of the College.</p> <p>b. Exclude from presentation.</p> <p>B. Identify relationships with organizations other than component units.</p> <p>1. Related organizations, including Foundations.</p> <p>2. Joint ventures.</p> <p>3. Jointly governed organizations.</p> <p>4. Component units and related organizations with joint venture characteristics.</p> <p>5. Pools.</p> <p>6. Undivided interests.</p> <p>7. Cost-sharing arrangements.</p> <p>C. Determine degree to which separate or interlocking Boards of Directors exist.</p> <p>D. Determine whether organizations' financial activities are included in the College's financial statements.</p> <p>E. Determine if organizations are audited annually.</p> <p>F. Review the audited financial statements of identified organizations. Footnote any assets of the College held in trust by these organizations.</p>	A				
	B				

June 30, 2004

FINANCIAL REPORTING ENTITY[illegible]

June 30, 2004

TRIAL BALANCE

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p>A. Provide a document which links the report or financial statements to supporting workpapers.</p> <p>Audit Procedures:</p> <p>A. Obtain or prepare working trial balances by fund type, function, fund and objective class as needed.</p> <ol style="list-style-type: none"> 1. A separate trial balance should be prepared for each fund. 2. Account classifications should be minimized and consistent with the GASB Codification and/or the sample report. 3. Foot the working trial balances to verify their accuracy, if applicable. 4. Document the source of the information for the beginning balance amounts. 5. The adjusting journal entries should be consolidated on a separate page, numbered, briefly explained or described and referenced to supporting workpapers. <p>B. Record reclassifications as necessary. The reclassification entries should be consolidated on a separate page, lettered, briefly explained or described and referenced to supporting workpapers if possible.</p> <p>C. Obtain and document College concurrence and approval of all adjusting journal entries and reclassifications.</p> <p>D. Examine adjustments made directly to the financial statements. (AU 316.58)</p> <ol style="list-style-type: none"> 1. Scan journal entries for testing. Document the items selected. 2. Examine the related accounting records and supporting documents or ensure selected items have been examined as part of testing performed in individual transactions cycle audit programs. 3. Identify and consider the appropriateness of significant adjustments. 4. Make inquiries of employees involved in the financial reporting process about the possibility of unusual or improper journal entries. <p>E. Inform the College of the following GASB 34 / 35 journal entries and receive their concurrence. (Note: some colleges may have already posted these entries.)</p> <ol style="list-style-type: none"> 1) Record the accumulated depreciation at the beginning of the year. 2) Record current year depreciation expense. 3) Record all activity for the disposal of assets. 	A				
	A				

COMMUNITY COLLEGE _____**June 30, 2004****TRIAL BALANCE**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
4) Eliminate double counting due to capital assets purchases. 5) Eliminate interfund accruals. 6) Eliminate double counting of debt payments. 7) Record the scholarship allowance for financial aid applied. 8) Record the scholarship allowance for Workforce Investment Act funds applied to tuition and fees. 9) Eliminate interfund activity within the auxiliary fund. 10) Eliminate the double counting of the NJTP administration activity. 11) Close additional activity to net assets. F. Reconcile trial balance to College's financial statements. G. Reference the amounts to supporting workpapers. The adjusted trial balance amounts should be referenced to support. H. Obtain or prepare a statement of cashflows. The statement should use the direct method. Reference the amounts on the statement of cashflows to supporting workpapers. I. Determine if the risk of material misstatement due to fraud has changed based on the results of substantive tests performed. If so, perform appropriate procedures.	A				
<u>ALTERNATE/ADDITIONAL PROCEDURES:</u>					
<u>CONCLUSION:</u>					
We have performed procedures sufficient to achieve the audit objectives for trial balances, and the results of these procedures are adequately documented in the accompanying workpapers.					
Incharge _____	Date _____				
Manager _____	Date _____				
Independent Reviewer _____	Date _____				

COMMUNITY COLLEGE _____**June 30, 2004****CASH**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
Financial Statement Assertions: 1. Existence and Occurrence 2. Completeness 3. Rights and Obligations 4. Valuation and Allocation 5. Presentation and Disclosure Audit Objectives: A. Cash in the balance sheets is on hand, in transit, or on deposit with third parties (depositories) in the name of the College. (1) B. All cash of the College is included in the balance sheet. (2) C. Depositories are legally acceptable; deposits are adequately insured or adequate collateral has been pledged by the depositories for the College's deposits; and separate depository accounts are maintained for each fund for which required. (3) D. Cash balances reflect a proper cut-off of receipts and disbursements, and are stated at the correct amounts. (4) E. Cash balances are presented properly by fund type, restricted cash is presented separately by fund type, and related disclosures are adequate. (5) Audit Procedures: A. Cash on Hand 1. Determine location, custodian and amount of all cash funds and select funds to be counted. (Coordinate with examination of investments on hand.) 2. For funds selected, count and list all cash and cash items. Obtain Custodian's signature for return of cash. 3. Reconcile total with established balance. 4. Determine and document reason for any unusual items such as employee and officials checks. 5. Ascertain reason for checks not deposited immediately. 6. Determine that all checks were properly endorsed. 7. Determine frequency of petty cash replenishment. 8. Determine petty cash payments are reasonable. B. Undeposited Receipts 1. Determine whether prenumbered receipts were made immediately for all undeposited receipts at the end of the year and that subsequent deposit agrees with books and bank. 2. Obtain explanations for variances and document findings/conclusions.					
	A,B				
	A,D				

COMMUNITY COLLEGE _____**June 30, 2004****CASH**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
C. Cash in Bank					
1. Confirm ending bank balances and authorized check signers.	A,B, C,D				
2. Ascertain and document that confirmed, authorized check signers are current employees who should sign checks.					
3. If appropriate, request a cut-off bank statement and related paid checks directly from the bank for ___ days following the balance sheet date.					
4. If cut-off bank statements were not received, obtain bank statement and paid checks for the month immediately following year-end and perform these procedures:	A,B				
a. Scrutinize bank statement for erasures and prove mathematical accuracy of statement (withdrawals equal opening balance plus deposits minus closing balance.)					
b. Ascertain that total paid checks and debit memos equal withdrawals per bank statement.					
c. Examine the paid date of each check to ascertain that the check was paid by the bank during the period covered by the bank statement.					
d. Ascertain that the opening balance equals the closing balance from the previous bank statement.					
5. Obtain or prepare bank reconciliations for bank accounts as of year-end.	A,B,D				
a. Test mathematical accuracy of the bank reconciliation.					
b. Compare bank balance amount to bank statement and book balance to books.					
c. Verify, on a test basis, that listed outstanding checks cleared the bank after June 30.					
d. For outstanding checks over \$_____ which did not clear the bank by July 31st, examine supporting documentation and list payee. Ascertain and document subsequent disposition.					
e. If checks are outstanding greater than three years, ensure that their disposition complies with Chapter 556 of the Code of Iowa.					
f. Determine whether College is writing and holding checks at June 30. Comment accordingly.					
1) Determine whether amount is material.					

June 30, 2004

CASH

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p>2) Obtain College's concurrence to adjust or determine if opinion should be modified.</p> <p>g. Trace all deposits in transit to subsequent bank statement and document the date deposited per books and per bank.</p> <p>h. Determine and document the propriety of other reconciling items.</p> <p>6. Trace transfers between banks, including money market accounts, for five days on both sides of statement date by:</p> <p>a. Preparing a schedule detailing each transfer check, recording the amount, check number, date disbursed per books and per bank, date received (deposited) per books and per bank.</p> <p>b. Review the schedule to determine that the receipt (deposit) and disbursement side of each transfer are recorded in the proper period.</p> <p>7. Depository Resolutions</p> <p>a. Obtain a copy of the written resolution approving each depository and the maximum amount which may be kept on deposit, as required by Chapter 12C.2 of the Code of Iowa.</p> <p>b. Prepare a workpaper to document review or test of monthly balances to determine if depository balances were exceeded during the year.</p> <p>8. Determine the allowability of any sweep accounts.</p> <p>9. Determine if uninsured public funds deposited in a credit union were secured by a letter of credit in an amount at least 110% of the uninsured amount.</p> <p>10. Determine that the College has insured that all public funds deposits with banks have met the requirements of Chapter 12C.22 of the Code of Iowa (Pledging of Public Funds Program).</p> <p>11. Determine the propriety of any cash pledged by the College as collateral or otherwise restricted.</p> <p>12. Determine extent of use of wire transfers. Perform procedures as necessary.</p> <p>D. Determine if risk of material misstatement due to fraud has changed based on results of substantive tests performed. If so, perform appropriate procedures.</p> <p>E. Determine whether cash balances are properly classified and disclosures are adequate.</p>	<p>B,D</p> <p>C</p> <p>C</p> <p>E</p>				

CASH

Independent
Reviewer _____ Date _____

COMMUNITY COLLEGE _____**June 30, 2004****INVESTMENTS**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
Financial Statement Assertions:					
1. Existence and Occurrence					
2. Completeness					
3. Rights and Obligations					
4. Valuation and Allocation					
5. Presentation and Disclosure					
Audit Objectives:					
A. Investment balances by fund type are evidenced by securities or other appropriate legal documents either physically on hand or held in safekeeping by others and include all the College's investments. (1 and 2)					
B. Investments are of types authorized by law and the investment policy of the entity. (3)					
C. Investment values, income, gains or losses are stated correctly and allocated properly to funds. (4)					
D. Investments are properly described and classified in the balance sheet, and related disclosures including restrictions and commitments are adequate. (5).					
E. College has complied with applicable laws and regulations.					
Audit Procedures:					
A. Obtain or prepare a schedule of all investment transactions for the year including investments owned as of year end. For U.S. Government securities, the schedule should list the par value of the security in addition to its cost.					
1. Test mathematical accuracy and trace end of the year balances to the general ledger.	C				
2. Determine that all investments are recorded.	A				
3. On a test basis, trace collections from sale of investment to deposit.					
4. Examine and list investment documents on hand and trace to schedule or investment records.	A,B,C				
5. If the College has investments in government securities, sight actual investment certificate if held by the College, or confirm ownership with outside safekeeping agent.					
6. Determine that all investments are recorded at cost or, if acquired by gift, at fair market value at date of gift. (See Step E.1 below. Investments should be reported at fair value in accordance with GASB 31.)	A				
7. For investments held by the College at the end of the year not able to be inspected because they were sold prior to our audit, vouch sale to supporting documents and trace proceeds to bank deposit. Examination of safekeeping receipts is not sufficient.	A				

COMMUNITY COLLEGE**June 30, 2004****INVESTMENTS**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
8. Determine if the College has adopted a written investment policy that complies with the provisions of Chapter 12B.10B of the Code of Iowa.					
9. Determine if changes to the investment policy comply with the provisions of Chapter 12B.10B of the Code of Iowa and have been approved by the Board.					
10. Determine that investment transactions complied with the written investment policy.					
11. Determine that all investments are authorized and comply with statutory provisions of Chapter 12B.10 of the Code of Iowa, as applicable.	B				
12. If applicable, determine if the College has an appropriate public funds custodial agreement as prescribed in Chapter 12B.10C of the Code of Iowa and the Treasurer of State's administrative rules.					
13. Determine that the underlying collateral of repurchase agreements consists of authorized investments and that the client has taken delivery of the collateral either directly or through an authorized custodian as provided in Chapter 12B.10(5)(e) of the Code of Iowa.	A,B				
B. Confirm investments at the end of the year and trace amounts to book balances.	A,B,C				
C. Related Income					
1. Determine that all investment income was received and recorded in the proper fund.	C				
2. Recalculate interest on a test basis.	C				
3. Compute accrued interest receivable at June 30, if significant.	C				
4. Determine if interest earned on pooled accounts is fairly and properly allocated to those funds and accounts from which the interest arose.					
5. In accordance with Chapter 12C.9(2) of the Code of Iowa, interest earned on the proceeds of notes, bonds, refunding bonds and other evidence of indebtedness and funds accumulated for the payment of principal and interest or reserves (debt service) is:					
1) used to pay the principal or interest as it came due on the indebtedness (credited to retirement of indebtedness fund), or					
2) credited to the fund for which the indebtedness was issued.					
6. Test interest rates to determine whether rates are in accordance with statutory rates established by the State Rate Setting Committee.	B				

COMMUNITY COLLEGE _____**June 30, 2004****INVESTMENTS**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
D. Determine propriety of any investments pledged as debt collateral or otherwise restricted.	B,D				
E. Footnote disclosure/financial statement presentation:					
1. Determine that investments are reported at fair value and the change in fair value is recorded as net increase (decrease) in the fair value of investments in accordance with GASB 31.					
2. Prepare a workpaper documenting fair value and risk categories of investments on hand at June 30 for footnote disclosure.	D				
3. Determine total portfolio yield reported by the College and evaluate for accuracy.					
4. If the College has investments in derivatives, determine that appropriate disclosures are made in accordance with FASB 119, SAS 92, FASB 138, FASB 133, and FASB 149.					
5. If the College has transferred financial assets or entered into a servicing contract for assets or liabilities, determine that the appropriate disclosures and assets or liabilities are recorded in accordance with FASB 140.					
F. If the College has investments with no observable market price, determine the method of measurement of fair value and evaluate for propriety in accordance with AU Section 328.					
G. Identify the outside persons who invested public funds, provided advice on the investing of public funds, directed the deposit or investment of public funds, or acted in a fiduciary capacity for the College during the audit period.					
1. Determine that contracts or agreements with outside persons require the outside person to notify the College in writing of the existence of material weaknesses in internal control or regulatory orders or sanctions regarding the type of services being provided under the contracts or agreements.					
2. Obtain and review the following:					
a. The most recent audited financial statements and related report on internal control of outside persons involved in investing activities for the client.					
b. The most recent annual report to shareholders, call reports or the findings pursuant to a regular examination under state or federal law of a bank, savings and loan or credit union.					

June 30, 2004

INVESTMENTS

[illegible]

RECEIVABLES

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
Financial Statement Assertions: 1. Existence and Occurrence 2. Completeness 3. Rights and Obligations 4. Valuation and Allocation 5. Presentation and Disclosure Audit Objectives: A. Accounts receivable are valid and have been billed in the proper amounts for services rendered. (1,3) B. Accounts receivable include all amounts still owed for activities through the end of the period. (2) C. An adequate allowance for uncollectible accounts has been established and accounts receivable and related disclosures are properly presented in the financial statements. (4,5) Audit Procedures: A. Obtain or prepare a list of receivables at year end. The schedule should include: 1. Local tax receivable. (See also "Revenue and Receipts" section of audit program) 2. Accounts receivable. 3. Amounts due from other funds. 4. Accrued interest. 5. Tuition. 6. Amounts due from other governments. 7. Other (list): _____ _____ _____ _____ _____ B. Determine that all interfund and intrafund accounts receivable/payable are in balance and trace to approval. C. Confirm material receivables, if applicable, and investigate any discrepancies. D. Document reason(s) for not confirming. E. Alternative procedures to confirmation. 1. Perform tests to verify that receivables represent goods/services performed prior to June 30. 2. Trace receivables to receipt and deposit.	B				
	A,B,C				

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
F. Determine that receivables represent amounts due but not received at June 30 and that they have been recorded to appropriate receivable and revenue accounts in the general ledger.	A				
G. Test deposits made in the next year to determine if amounts should have been recorded in the current year.	B				
H. If applicable, determine the reasonableness of any allowance for doubtful accounts and that the allowance has been properly recorded.	C				
I. Determine if risk of material misstatement due to fraud has changed based on results of substantive tests performed. If so, perform appropriate procedures.					
J. Determine whether receivables are properly classified and disclosures are adequate.	C				
<u>ALTERNATE/ADDITIONAL PROCEDURES:</u>					
<u>CONCLUSION:</u> We have performed procedures sufficient to achieve the audit objectives for receivables, and the results of these procedures are adequately documented in the accompanying workpapers.					
Incharge _____	Date _____				
Manager _____	Date _____				
Independent Reviewer _____	Date _____				

June 30, 2004

NOTES AND LONG-TERM RECEIVABLES

[illegible]

NOTES AND LONG-TERM RECEIVABLES

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<u>ALTERNATE / ADDITIONAL PROCEDURES:</u>					
<u>CONCLUSION:</u> We have performed procedures sufficient to achieve the audit objectives for notes and long-term receivables, and the results of these procedures are adequately documented in the accompanying workpapers.					
Incharge _____ Date _____ Manager _____ Date _____ Independent Reviewer _____ Date _____					

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
Financial Statement Assertions: 1. Existence and Occurrence 2. Completeness 3. Rights and Obligations 4. Valuation and Allocation 5. Presentation and Disclosure Audit Objectives: A. Prepaid expenses are properly recorded and represent a complete listing of costs that are allocable to future periods and are properly amortized on a basis consistent with that used in prior periods. (1,2,3,4) B. Prepaid expenses are properly described, classified and related disclosures are adequate. (5)					
Audit Procedures: A. Obtain or prepare a schedule of prepaid expenses. B. Examine supporting documents and verify reasonableness of computed prepaid amounts. C. Determine if there are any significant unrecorded prepaid expenses. D. Determine if risk of material misstatement due to fraud has changed based on results of substantive tests performed. If so, perform appropriate procedures. E. Determine whether prepaid expenses are properly classified and disclosures are adequate.	A 				
<u>ALTERNATE/ADDITIONAL PROCEDURES:</u>					
<u>CONCLUSION:</u>					
We have performed procedures sufficient to achieve the audit objectives for prepaid expenses, and the results of these procedures are adequately documented in the accompanying workpapers.					
Incharge _____ Date _____ Manager _____ Date _____					
Independent Reviewer _____ Date _____					

COMMUNITY COLLEGE _____**June 30, 2004****INVENTORY**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
Financial Statement Assertions: 1. Existence and Occurrence 2. Completeness 3. Rights and Obligations 4. Valuation and Allocation 5. Presentation and Disclosure Audit Objectives: A. Inventory reflected in the accounts represents a complete listing of products, materials and supplies owned by the College and such assets are physically on hand or stored at outside locations at the balance sheet date. (1,2,3) B. Inventory listings are accurately priced, extended, footed and the totals are properly reflected in the accounts. (4) C. Inventories are properly classified in the balance sheet and disclosure is made of pledged or assigned inventory and the methods used to value inventory. (5) Audit Procedures: A. Inventory Observation 1. Test count a selection of items. Count items of larger dollar and quantity amounts. 2. Trace amounts of inventory per listing to amounts on hand. 3. Trace amounts of inventory on hand to amounts on listing. 4. Obtain cut-off information. 5. If inventories were not observed, document reason(s). B. Determine that all material inventories are recorded by the College (bookstore, cafeteria, trade and industry parts, livestock, grain, supplies, carpentry houses and other projects.) C. Determine if a physical count/observation was performed on or near year end: 1. If the auditor was not present for the physical inventory, consider materiality, scope limitation, and alternate procedures. 2. If auditor was present during the physical inventory, review and incorporate observation work papers. a. Trace the test counts of the auditor into the College's final inventory listing. b. Test extensions and foot the totals. c. Review list for reasonableness.					
	A,B				
	A				
	A,B				

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
D. Price tests <ul style="list-style-type: none"> 1. Determine inventory valuation method. 2. Make a list of inventory items and request College to locate invoices. 3. Verify unit costs of inventory items selected. 4. If applicable, trace to perpetual records. 	B				
E. Determine whether proper adjustments were made to inventory at year end.					
F. If material, consider capitalization of interest on student carpentry housing projects as projects may be considered "discreet projects" per Section 167, FASB Current Text.	C				
G. Determine if risk of material misstatement due to fraud has changed based on results of substantive tests performed. If so, perform appropriate procedures.					
H. Determine whether inventories are properly classified and disclosures are adequate.	C				
<u>ALTERNATE/ADDITIONAL PROCEDURES:</u>					
<u>CONCLUSION:</u>					
We have performed procedures sufficient to achieve the audit objectives for inventory, and the results of these procedures are adequately documented in the accompanying workpapers.					
Incharge _____	Date _____				
Manager _____	Date _____				
Independent Reviewer _____	Date _____				

COMMUNITY COLLEGE**June 30, 2004****CAPITAL ASSETS**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
Financial Statement Assertions: 1. Existence and Occurrence 2. Completeness 3. Rights and Obligations 4. Valuation and Allocation 5. Presentation and Disclosure Audit Objectives: A. Capital assets represent a complete and valid listing of the capitalizable cost of assets purchased, constructed, or leased and physically on hand. (1,2,3,4) B. "Additions" or capital expenditures represent a complete and valid listing of the capitalizable cost of the property and equipment acquired during the period. (1,2,3,4) C. "Deletions" of capitalized costs and, if applicable, related depreciation associated with all sold, abandoned, damaged, or obsolete capital assets have been removed from the accounts. (1,23,4) D. Depreciation and the related allowance account, if applicable, has been compared on an acceptable basis consistent with that used in the prior year. (1,2,3,4) E. Capital expenditures and capital assets are properly classified in the financial statements, and related disclosures are adequate. (5) Audit Procedures: A. Reconcile supporting records with ledger amounts for each class of capital assets. B. Obtain or prepare a schedule analyzing and reconciling the beginning balances, acquisitions (by fund), dispositions and ending balances for each class of capital assets and check clerical accuracy. C. Review insurance coverage for any assets that may not be included on asset listing. D. For acquisitions (which can include purchases, gifts and donations, self-constructed assets and progress billings): 1. Reconcile acquisitions to capital outlay expenditure balances for all funds. 2. Trace selected acquisitions to purchase orders, invoices, receiving reports, contracts, etc. to determine (if not tested elsewhere): a. Expenditures recorded in proper period. b. Classified correctly by fund, account and budget. c. Amount recorded includes all capitalizable costs for the asset.					
	A				
	B				
	B				

COMMUNITY COLLEGE _____**June 30, 2004****CAPITAL ASSETS**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<ul style="list-style-type: none"> d. Acquisition was properly authorized in accordance with the stated policies of the College. e. For purchases with federal funds, determine allowability and proper recording. 					
3. Document whether the College capitalizes interest on capital assets. Determine disclosure needed.					
4. For major additions to the land or building accounts:	B				
<ul style="list-style-type: none"> a. Examine the deed, title policy, the closing statement, and similar documents to establish ownership. b. Determine whether land acquisitions are in compliance with Chapter 260C.35 of the Code of Iowa. c. Examine progress billings, if applicable. d. Determine that sites and buildings acquired, erected or remodeled were approved by the State Board in accordance with Chapter 260C.5(6) of the Code of Iowa. 					
5. For self-constructed items:	B				
<ul style="list-style-type: none"> a. Review for proper authorization. b. Examine appropriate supporting documentation such as work orders, job status reports, etc. c. Determine that labor, overhead, material and interim construction interest are included in cost. d. If extensive, consider need for additional procedures. 					
6. For gifts and donations, determine or review method of valuation.					
E. For retirements/deletions of capital assets (sale, trade-in, scrapping, lost, destruction):					
1. Trace selected dispositions to supporting data for:	C				
<ul style="list-style-type: none"> a. Proper authorization. b. Reduction of asset account. c. Appropriate recording of assets acquired with trade-ins. d. Compliance with Chapter 260C.35 of the Code of Iowa for property sold. 					
2. Consider need for additional procedures.					

COMMUNITY COLLEGE**June 30, 2004****CAPITAL ASSETS**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
F. Depreciation					
1. Document depreciation policy and useful lives used by each class of asset.					
2. Determine if depreciation methods and useful lives are consistently applied.					
3. Test reasonableness of the current year depreciation by analytical procedures, or if considered necessary, by recomputing depreciation on selected assets.					
4. Evaluate whether the remaining useful lives of assets are reasonable based on normal operations.					
5. If depreciation schedule is prepared by auditor, determine that independence has not been impaired.					
G. Library materials – test valuation of library materials.					
H. Leases					
1. Review lease agreements to ascertain whether the related assets have been correctly capitalized (per FASB 13).	A,B				
2. Determine whether lease agreements for space were entered into in compliance with Chapter 260C.38 of the Code of Iowa.					
3. Perform related procedures for leases included in liabilities section, capital leases.					
4. Determine if property or equipment purchased under capital leases has been included and properly valued in the inventory of capital assets.					
5. Determine that there is proper disclosure for all leases.					
I. Determine if College has taken a physical inventory of capital assets.					
1. If so, inspect a copy.					
2. Tour the College's physical facilities and determine extent of testing to be performed.					
3. Physically observe capital assets selected.	A				
4. In addition, select assets while touring facilities and trace to listings of assets.	A				
J. Determine if College has complied with applicable bidding requirements.					
K. Determine if risk of material misstatement due to fraud has changed based on results of substantive tests performed. If so, perform appropriate procedures.					
L. Determine whether capital assets are properly classified and related disclosures are adequate.	E				

CAPITAL ASSETS

[illegible]

COMMUNITY COLLEGE _____**June 30, 2004****CURRENT LIABILITIES**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
Financial Statement Assertions: 1. Existence and Occurrence 2. Completeness 3. Rights and Obligations 4. Valuation and Allocation 5. Presentation and Disclosure Audit Objectives: A. Liabilities at the balance sheet date are properly supported. (1) B. Liabilities are properly authorized, represent the correct amounts of currently payable items in the proper period and reflect all outstanding obligations. (2,3,4) C. Liabilities are properly recorded, classified and disclosures are adequate. (5) Audit Procedures: A. Accounts Payable 1. Obtain a schedule of accounts payable and identify as follows: a. Accounts payable, due to other funds, due to other governments, etc. b. Accrued payroll and payroll taxes. c. Other. 2. Test the accuracy and classification of amounts by examining supporting invoices and receiving reports. B. Unrecorded Liabilities 1. Review the cash disbursements journal for disbursements after the balance sheet date; obtain and examine supporting detail for each disbursement of \$_____ and over and determine that accounts payable as of the balance sheet date were properly recorded. 2. Examine files of receiving reports unmatched with vendors' invoices, searching for significant items received on or before the balance sheet date. 3. Inspect files of unprocessed invoices and vendors' statements for unrecorded liabilities. 4. Inquire of responsible College staff about their knowledge of additional sources of unprocessed invoices, unrecorded commitments, or contingent liabilities. Indicate who responded to our inquiry in the remarks columns.					
	A,B,C				
	A				

COMMUNITY COLLEGE _____**June 30, 2004****CURRENT LIABILITIES**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
C. Anticipatory Warrants					
1. Obtain a schedule of anticipatory warrant transactions for the year and those outstanding at year-end. Include interest and principal payment dates, amount of interest paid, if any, prior to year-end and interest rate.	A,B,C				
2. Confirm balances at year-end.					
3. Review authorization for issuance of these obligations.					
4. Determine debt instrument issued complies with provisions of Chapter 74 of the Code of Iowa.	A,B				
5. Trace receipts of such obligations into the books and bank statements.					
6. Determine interest rates are within legally allowable limits as established by the State Rate Setting Committee (Chapter 74A of the Code of Iowa.)					
7. Determine reasonableness of interest payable on anticipatory warrants.					
D. Iowa School Cash Anticipation Program (ISCAP)					
1. If the College is participating in the ISCAP program:	A,B				
a. Confirm the outstanding balance at June 30 and compare to the amount recorded by the College as a payable.					
b. Determine ISCAP warrants payable recorded in the amount of the ISCAP warrants originally issued.					
c. Determine ISCAP accrued interest payable.					
d. Determine proper amount and recording of ISCAP disbursement and debt service funds as restricted assets.					
e. Determine ISCAP accrued interest receivable.	C				
2. Prepare footnote disclosure.					
E. Deferred Revenue					
1. Obtain or prepare schedule of deferred revenue.	A,B				
2. Review calculations, supporting documents and related revenue accounts for propriety.					
3. Determine that a deferred revenue account is established for delinquent property tax, succeeding year property taxes, tuition, and other revenues that have been accrued that are measurable but not available.					
F. Other Liabilities					
1. Identify liabilities not already tested.					
a. Deposits held in custody.					
b. Other (list):					

June 30, 2004

CURRENT LIABILITIES

[illegible]

COMMUNITY COLLEGE**June 30, 2004****ACCRUED PAYROLL AND RELATED ITEMS**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
Financial Statement Assertions: 1. Existence and Occurrence 2. Completeness 3. Rights and Obligations 4. Valuation and Allocation 5. Presentation and Disclosure Audit Objectives: A. Liabilities at the balance sheet date are properly supported. (1) B. Liabilities are properly authorized, represent the correct amounts of currently payable items in the proper period and reflect all outstanding obligations. (2,3,4) C. Liabilities are properly recorded, classified and disclosures are adequate. (5) Audit Procedures: A. Salaries and Benefits Payable 1. Obtain or prepare a schedule of salaries and benefits payable at June 30. 2. Review for reasonableness. 3. On a test basis. a. Examine contract terms/timesheets for: 1) Appropriateness of accrual. 2) Reasonableness of allocation among funds. b. Recalculate salaries and benefits. B. Compensated Absences 1. Review College's policies for earned vacation, sick leave and related FICA/IPERS benefits. 2. Obtain or prepare a summary of compensated absences at June 30 and foot summary. 3. Review for reasonableness. 4. Select items to test validity of calculation: a. Trace to supporting data. b. Recalculate hourly rate, number of hours earned, and unused and extensions. c. Determine appropriateness of charges to various funds. d. Determine the amount of matured liability in accordance with GASB Interpretation #6 for the fund financial statements.					
	A,B				

ACCRUED PAYROLL AND RELATED ITEMS

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p>5. Obtain information for disclosing the nature and valuation basis of the liability. Determine the amounts have been determined in accordance with the provisions of GASB 16, including calculated salary-related payments such as employer's share of social security and pension plan contributions, if applicable.</p> <p>C. Early Retirement</p> <ol style="list-style-type: none"> 1. Review the College's policy on early retirement. 2. Obtain or prepare a list of employees eligible for early retirement and the amount of the accrual for the College as of June 30. 3. Select a number of eligible employees to determine if: (a) the employees meet the requirements noted in the policy, (b) if the College has properly calculated its potential accrual. 4. Search for other eligible employees not included in the College's list. 5. Prepare the appropriate footnote disclosure. <p>D. Determine if risk of material misstatement due to fraud has changed based on results of substantive tests performed. If so, perform appropriate procedures.</p> <p>E. Determine whether accrued payroll and related liabilities are properly classified and disclosures are adequate.</p> <p><u>ALTERNATE/ADDITIONAL PROCEDURES:</u></p> <p><u>CONCLUSION:</u></p> <p>We have performed procedures sufficient to achieve the audit objectives for accrued payroll and related items, and the results of these procedures are adequately documented in the accompanying workpapers.</p> <div style="display: flex; justify-content: space-between;"> <div>Incharge _____</div> <div>Date _____</div> </div> <div style="display: flex; justify-content: space-between;"> <div>Manager _____</div> <div>Date _____</div> </div> <div style="display: flex; justify-content: space-between;"> <div>Independent Reviewer _____</div> <div>Date _____</div> </div>	C				
	A,B				
	C				
	C				

COMMUNITY COLLEGE _____**June 30, 2004****LONG-TERM DEBT**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
Financial Statement Assertions:					
1. Existence and Occurrence					
2. Completeness					
3. Rights and Obligations					
4. Valuation and Allocation					
5. Presentation and Disclosure					
Audit Objectives:					
A. Debt is authorized and recorded in the proper fund. (1)					
B. All indebtedness of the College is identified, recorded, and disclosed. (2)					
C. The College has complied with provisions of indentures and agreements related to debt, including provisions on use of proceeds. (3)					
D. Disbursements or expenditures (including principal and interest payable) are properly recorded, classified, and disclosed. (4)					
E. Debt and related restrictions, guarantees, and commitments are properly presented in the financial statements, and related disclosures are adequate. (5)					
Audit Procedures:					
A. Loans/Notes Payable					
1. Obtain or prepare a schedule reconciling and analyzing changes in the account balance(s) during the year and test the changes. Investigate any discrepancies.	B				
2. Review the debt instruments for compliance with terms and conditions:					
a. Review the resolution for issuance of new debt.	A,B,C				
b. Determine that the proceeds from new debt issued were properly recorded and trace proceeds to the bank statement.	A				
c. If proceeds from new debt are not immediately needed, determine whether they were invested and if the interest earned was credited to the project fund or used to reduce the debt, in accordance with Chapter 12C.9 of the Code of Iowa.					
d. Determine compliance with sinking fund requirements (should be shown in retirement of indebtedness subfund).	C,D				
e. Determine that proceeds were used for the intended purpose.					
f. Determine that loans or notes payable were retired from appropriate revenue sources as provided by Chapter 260C.22 of the Code of Iowa.	C				

COMMUNITY COLLEGE _____**June 30, 2004****LONG-TERM DEBT**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
g. Determine that premiums/discounts and issue costs are properly recorded and amortized, if applicable.	E				
3. Confirm principal amount, maturity date, interest rate, collateral and security.	A,B,C				
4. Obtain or prepare a schedule of maturity payments for at least the next 5 years and thereafter.	D,E				
B. Bonds/Certificates Payable					
1. Obtain or prepare a schedule reconciling and analyzing changes in the account balance(s) during the year and test the changes. Investigate any discrepancies.	B				
2. Review the debt instruments for compliance with terms and conditions (Including refunding bond issues.):					
a. Review the resolution for issuance of new debt.	A,B,C				
b. Test premiums or discounts and accrued interest on bonds or certificates sold to determine compliance with the provisions of Chapters 75 and 260E.6(1) of the Code of Iowa.	C				
c. Determine that the proceeds from new debt issued were properly recorded and trace proceeds to the bank statement.	A				
d. If proceeds from new debt are not immediately needed, determine whether they were invested and if the interest earned was credited to the project fund or used to reduce the debt, in accordance with Chapter 12C.7 of the Code of Iowa.					
e. Determine that the College published a notice of intention to issue certificates stating the purpose, amount and project(s) as required by section 260E.6(5) of the Code of Iowa.	C				
f. Determine compliance with sinking fund requirements (should be shown in retirement of indebtedness subfund).	C,D				
g. Determine that proceeds were used for the intended purpose.	C				
h. Determine that bonds or certificates payable were retired from appropriate revenue sources as provided by Chapters 260C.22, 260E, 260F of the Code of Iowa.	C				
i. Determine that premiums/discounts and issue costs are properly recorded and amortized, if applicable.	E				
j. Determine that issue costs do not exceed 2% for tax exempt bonds/certificates.					

COMMUNITY COLLEGE _____**June 30, 2004****LONG-TERM DEBT**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
3. Confirm principal amount, maturity date, interest rate, collateral and security.	A,B,C				
4. Obtain or prepare a schedule of maturity payments for at least the next 5 years and thereafter.	D,E				
5. If a material event has occurred, determine that the College has complied with the reporting requirements in accordance with SEC Rule No. 240, 15c2-12. (Exempt are bond offerings of less than \$1,000,000 and entities whose outstanding debt is less than \$10,000,000.)					
C. Capital Leases and Installment Purchases					
1. Review lease and installment purchase agreements.					
2. Obtain or prepare summary of payments for both operating and capital leases for the next five years and thereafter.	A,B, C,D				
3. Identify capital versus operating leases according to FASB 13 and FASB 145 criteria.	E				
4. Determine that initial proceeds were properly recorded as an other financing source and a disbursement was recorded in the proper expenditure account.					
5. Compare summary to lease agreements.					
6. Determine fiscal year rental expense (net of leases for one month or less).					
7. Reconcile to payment schedule.					
D. Judgments and Claims (See also "Insurance and Self-Insurance" section of audit program)	A,B, C,D				
1. Obtain a listing of judgments and claims against the College.					
2. Trace to supporting documentation.					
3. Determine if judgments/claims were paid out of the proper fund.					
E. Contracts Payable					
1. Obtain or prepare schedule of changes in contracts payable.					
2. Inquire as to the existence of new contracts.					
3. Review significant contracts entered into by College since last audit and obtain copies of those having audit significance for inclusion in the permanent file.					
4. While performing other audit procedures, be alert for new contracts.					

June 30, 2004

[illegible]

CONCLUSION:

We have performed procedures sufficient to achieve the audit objectives for long-term debt, and the results of these procedures are adequately documented in the accompanying workpapers.

Incharge _____ Date _____

Manager _____ Date _____

Independent
Reviewer _____ Date _____

COMMUNITY COLLEGE**June 30, 2004****FUND BALANCE/NET ASSETS**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
Financial Statement Assertions: 1. Existence and Occurrence 2. Completeness 3. Rights and Obligations 4. Valuation and Allocation 5. Presentation and Disclosure Audit Objectives: A. All and only properly authorized reservations and designations of fund balances/net assets are recorded. (1, 2) B. Components of fund balances/net assets are determined in accordance with state and local regulations and requirements. (3) C. Components of fund balances/net assets and changes in fund balances/net assets are properly computed and are described, classified, and disclosed appropriately in the financial statements. (4, 5) Audit Procedures: A. Reconcile College's net asset / fund balances to the prior year audited balances by fund and by program. B. Analyze activity during the period that directly affected fund balance. C. Review changes for propriety and conformance with GAAP. D. Analyze and verify changes in fund balances restricted for specific purposes. E. Determine that changes in the cash reserve fund were in accordance with Chapter 260C.22(3) of the Code of Iowa. F. Identify deficit fund balances, determine propriety and consider disclosure. G. Determine the proper classification of net assets for report purposes for the following: 1) Invested in capital assets net of related debt. 2) Restricted net assets. 3) Unrestricted net assets. H. Determine that prior period adjustments meet GAAP criteria for recognition. I. Determine if risk of material misstatement due to fraud has changed based on results of substantive tests performed. If so, perform appropriate procedures.					
	A,C				
	C				
	A,B,C				
	B				
	C				
	C				

June 30, 2004

FUND BALANCE/NET ASSETS

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<u>ALTERNATE / ADDITIONAL PROCEDURES:</u>					
<u>CONCLUSION:</u>					
We have performed procedures sufficient to achieve the audit objectives for fund balances/net assets, and the results of these procedures are adequately documented in the accompanying workpapers.					
Incharge _____ Date _____					
Manager _____ Date _____					
Independent Reviewer _____ Date _____					

June 30, 2004

REVENUES AND RECEIPTS

[illegible]

COMMUNITY COLLEGE**June 30, 2004****REVENUES AND RECEIPTS**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
2. From the student services permanent records – student grade transcripts, determine the hours for which the selected students received credit.					
3. Compare number of credit hours per transcript to credit hours per student A/R detail. Investigate variances.					
4. Determine that tuition was properly billed.	D				
5. Obtain schedule of fees for selected time periods from College catalog.					
6. Determine billings for fees were properly computed.	D				
7. Select a number of students from registrar's office records. List:					
a. Student number.					
b. Student name.					
c. Status. If withdrawn, show date.					
8. From the registrar's student grade transcripts, determine how many credits the student received and their status.					
9. From the historical student A/R detail, determine amount billed to student and credit hours.	D				
10. Compare credit hours from step 8 above to credit hours from step 9 above. Investigate variances.					
11. Determine tuition was properly billed.	D				
12. Consider analytical procedures to substantiate tuition and fees.	A,D				
13. Document/determine that scholarship discounts and allowances are reported in accordance with GASB 35. (See NACUBO Advisor Report 2000-5 dated September 8, 2000 for guidance).					
14. The Code of Iowa Chapter 260C.14.2 states "Tuition for residents of Iowa shall not exceed the lowest tuition rate per semester, or the equivalent, charged by an institution of higher education under the state board of regents for a full-time resident student".					
a. Determine the lowest tuition rate of the institutions.					
b. Determine whether the College complied with the Code section.					
C. Property Tax					
1. Confirm total tax receipts by levy directly with the County Treasurer and reconcile levy distribution to general ledger. Investigate variances.	A,B,D				

COMMUNITY COLLEGE _____**June 30, 2004****REVENUES AND RECEIPTS**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
2. Determine if there were any unrecorded property tax revenue and whether adjustments are necessary.					
3. If the College levies a Retirement Incentive tax, determine and document compliance with the provisions of Chapter 279.46 of the Code of Iowa.	C				
4. If the College levies for insurance according to Chapter 296.7 of the Code of Iowa, determine that funds are used for liability-type insurance (not health and/or benefit insurance).	C				
5. If the College levied a voted tax in accordance with Chapter 260C.22(1) of the Code of Iowa, determine the excess of the amount of interest and principal falling due under any loan agreement to the Sinking Fund for the loan before using the proceeds for any other College purpose.	C				
6. If the College levied an equipment replacement tax in accordance with Chapter 260C.28 of the Code of Iowa, determine that funds were used only for equipment replacement.	C				
7. If the College received a portion of the physical plant and equipment levy tax from a school district in accordance with Chapter 403.19(2) of the Code of Iowa:	C				
a. Review the request prepared by the College for reasonableness.					
b. Determine the amount certified by the College was necessary to pay the principal and interest on indebtedness that was incurred by the College before July 1, 2000.					
D. Revenue From Other Governmental Sources					
1. Confirm revenue received from state and federal sources or perform alternate procedures. Reconcile amounts per confirmation with general ledger.	A,B, C,D				
2. Determine that such funds were recorded in the proper fund and are being used for authorized purposes.					
E. Sales Tax					
1. Determine whether sales tax was collected on the appropriate transactions and remitted to the Iowa Department of Revenue and Finance in accordance with Chapters 422.43 to 422.45 of the Code of Iowa.					
F. Interest Income					
1. Determine whether interest earned is being recorded in the proper fiscal year.	A,D				

June 30, 2004

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p>2. Determine whether interest earned on pooled accounts is being fairly and properly allocated to those funds and accounts from which the interest arose.</p> <p>G. Gifts and Grants</p> <p>1. Review the procedures for receiving and acknowledging gifts and grants.</p> <p>2. Review and evaluate the data underlying gifts, grants and bequests, including gift documents, correspondence, receipt acknowledgements and notification of the grant awards, and compare by type or nature with amounts for prior periods.</p> <p>3. Note the nature of any restrictions.</p> <p>H. Workforce Training and Economic Development Funds.</p> <p>1. Determine that funds received from the Grow Iowa Values Fund are recorded in the proper restricted fund and used for authorized purposes pursuant to Chapter 260C.18A(2) of the Code of Iowa.</p> <p>I. Determine if risk of material misstatement due to fraud has changed based on results of substantive tests performed. If so, perform appropriate procedures.</p> <p>J. Determine whether receipts/revenues are properly classified and disclosures are adequate.</p> <p><u>ALTERNATE/ADDITIONAL PROCEDURES:</u></p> <p><u>CONCLUSION:</u></p> <p>We have performed procedures sufficient to achieve the audit objectives for revenues and receipts, and the results of these procedures are adequately documented in the accompanying workpapers.</p> <p>Incharge _____ Date _____</p> <p>Manager _____ Date _____</p> <p>Independent Reviewer _____ Date _____</p>	<p>D</p> <p>A,B, C,D C,E</p> <p>E</p>				

CONCLUSION:

We have performed procedures sufficient to achieve the audit objectives for revenues and receipts, and the results of these procedures are adequately documented in the accompanying workpapers.

Incharge _____ Date _____

Manager _____ Date _____

Independent Reviewer _____ Date _____

COMMUNITY COLLEGE**June 30, 2004****EXPENDITURES AND DISBURSEMENTS**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
Financial Statement Assertions:					
1. Existence and Occurrence					
2. Completeness					
3. Rights and Obligations					
4. Valuation and Allocation					
5. Presentation and Disclosure					
Audit Objectives:					
A. Recorded expenditures and cash disbursements are for goods or services authorized and received. (1)					
B. Expenditures incurred for goods or services have all been identified. (2)					
C. Expenditures for goods or services are authorized and in accordance with applicable regulations or requirements. (3)					
D. Expenditures for goods or services and related disbursements have been recorded correctly as to account, fund, period, and amount. (4)					
E. Expenditures for goods or services are properly presented by fund and related disclosures are adequate. (5)					
Audit Procedures:					
A. General					
1. Scan check registers for unusual disbursements and expense detail for unusual expenditures. Investigate accordingly.	A,D				
2. For travel and questionable disbursements:					
a. Scan account detail for travel expenses and disbursements which may not meet public purpose criteria.	C				
b. Prepare workpapers as necessary to adequately document for report presentation.	E				
3. Schedule all related party transactions (with College officials or employees) for comment. The workpaper should list all payments made during the period. For reporting purposes, include all payments applicable for the period when the individual was an employee or official of the College.	A,E				
4. Obtain copy of College's policy regarding payment of claims prior to Board approval. Determine if procedures are followed as prescribed and in compliance with Chapters 260C.42 and 260C.43 of the Code of Iowa.					
5. If the College has College-issued credit cards, determine that the Board has adopted written guidelines for use of College-issued credit cards to pay for actual and necessary expenses incurred in the performance of work-related duties.					

June 30, 2004

EXPENDITURES AND DISBURSEMENTS

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p>B. Expenditures</p> <p>1. Select expenditures and test for the following:</p> <ul style="list-style-type: none"> a. Proper authorization and approval for payment in accordance with Chapters 260C.42 and 260C.43 of the Code of Iowa. b. Proper fund and account charged. c. Proper fiscal year. d. Supported by appropriate documentation, i.e. contract, purchase order and receiving report. e. Mathematical accuracy. f. Invoice or other documentation was canceled to prevent reuse. g. Examine cancelled checks or electronically retained check images per Chapter 554D.114(5) of the Code of Iowa for authorized signature, proper endorsement, and cancellation. h. Evidence of receipt of goods/services prior to June 30 attached or indicated on invoice. i. Capital outlay items are included on the capital asset additions testing, as applicable. j. Expenditures is proper under federal rules and regulations, consider reasonableness. If also testing compliance for a major program, you may need to add/revise criteria to cover single audit program steps. (i.e., allowable costs/cost principles, period of availability, etc.) k. Expenditure is proper under state rules and regulations. l. Mileage was paid at a rate approved by the Board and not in excess of amount allowable under Federal Internal Revenue Service rules as provided by Chapter 70A.9 of the Code of Iowa. m. The expenditure appears to meet the test of public purpose. For those items which are questionable the College should have adequate documentation as to how the expenditure(s) meet the test of public purpose. 	A,B,C,D				
<p>C. Determine if risk of material misstatement due to fraud has changed based on results of substantive tests performed. If so, perform appropriate procedures.</p>					
<p>D. Determine whether expenditures/disbursements have been properly classified and disclosures are adequate.</p>	E				

EXPENDITURES AND DISBURSEMENTS

[illegible]

COMMUNITY COLLEGE _____**June 30, 2004****PAYROLL**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
Financial Statement Assertions: 1. Existence and Occurrence 2. Completeness 3. Rights and Obligations 4. Valuation and Allocation 5. Presentation and Disclosure Audit Objectives: A. Payroll (wages, salaries, and benefits) disbursements are made only for work authorized and performed. (1,2) B. Payroll is computed using rates and other factors in accordance with contracts and relevant laws and regulations. (3) C. Payroll and related liabilities are recorded correctly as to amount and period and distributed properly by account, fund, and budget category, and disclosures are adequate. (4,5) Audit Procedures: A. Reconcile payroll register to College's ledgers. B. Consider performing analytical procedures to determine reasonableness of payroll expenditures (and related accruals). C. On a test basis, select payroll transactions to test: 1. Authorization for gross pay or hourly rate. 2. Appropriateness of contract amount based upon teacher educational credits compared to adopted contractual salary steps. 3. Approval of hours worked. 4. Accuracy of number of hours paid per payroll journal to hours worked per approved timesheet (for hourly employees). 5. Accuracy of calculation of gross pay. 6. Accuracy of computation of FICA, IPERS and TIAA-CREFF. 7. Authorization for payroll deductions. 8. Appropriateness of allocation among funds, cost centers, etc. 9. Endorsement and cancellation of checks are proper. 10. Reasonableness of computation of federal and state withholding. 11. Proper recording of leave taken. D. Determine if Forms 941, W-3, or W-2 were filed with the IRS, as appropriate.					
	A				
	A,C				
	A,B,C				

COMMUNITY COLLEGE**June 30, 2004****PAYROLL**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
E. Determine if Forms 1099 were issued for outside services of \$600 or more. <u>Note:</u> If 1099 forms were issued, ensure that workers should not be reclassified as employees.					
F. Review copies of payroll tax returns. 1. Reconcile gross wages, withholdings and the College share reported on returns to payroll register. 2. Explain material variances.	A,C				
G. Determine whether College is prepaying any salaries or wages.					
H. Analyze significant promotions and positions upgraded during the year. Determine propriety.					
I. Obtain or prepare information for footnotes on IPERS disclosure. 1. Total College contribution to IPERS. 2. Total employee contribution to IPERS. 3. Total IPERS covered payroll. 4. Total College payroll.	C				
J. For retirement systems other than IPERS: (i.e. TIAA-CREFF) 1. Review and update file information on pension plans. 2. Determine employee groups covered by each plan. 3. Verify appropriate information for disclosure in accordance with P20 of the GASB Codification. 4. If employees participate in retirement plans other than IPERS or TIAA-CREFF, the employer's contribution is limited to the employer's contribution rate under IPERS in accordance with Chapter 260C.14(17) of the Code of Iowa. (This is effective for new employees hired on or after 7/1/97). a) Determine compliance. b) Prepare report footnote disclosure.	C				
K. Determine if any employees receive a flat dollar allowance for travel or uniform cleaning. If so, determine if this allowance is included in taxable income on the W-2.					
L. Determine if risk of material misstatement due to fraud has changed based on results of substantive tests performed. If so, perform appropriate procedures.					
M. Determine whether payroll (and related accruals) are properly classified and disclosures are adequate.					

June 30, 2004

PAYROLL

[illegible]

June 30, 2004

TRANSFERS

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
Financial Statement Assertions: 1. Existence and Occurrence 2. Completeness 3. Rights and Obligations 4. Valuation and Allocation 5. Presentation and Disclosure Audit Objectives: A. All transfers have been identified, adequately supported and properly authorized. (1,2) B. Transfers comply with statutory requirements, if any. (3) C. Transfers are recorded in the proper time period under audit, and correct as to accounts and amounts recorded. (4) D. Transfers are properly classified and disclosures are adequate. (5) Audit Procedures: A. Obtain or prepare a schedule of all fund transfers during the year, including reimbursements between funds. B. Determine that transfers in and reimbursements from other funds equal transfers out and reimbursements to other funds. C. Select a number of transfers and determine: 1. Purpose of transfer/reimbursement. 2. Propriety of transfer/reimbursement. 3. Appropriate documentation. 4. Approval of transfer by appropriate Board/individual/group. 5. Proper fund and account charged. 6. Proper fiscal year. 7. Both funds/accounts affected by transfer are similarly recorded. D. Determine whether transfers are properly classified and disclosed. (For GASB 35 reporting, will no longer have transfers under BTA reporting. These will be needed for special reports for bonds in some cases and for schedules included in the community college report). E. Determine if risk of material misstatement due to fraud has changed based on results of substantive tests performed. If so, perform appropriate procedures. F. Classify transfers as mandatory or non-mandatory.					
	A,C,D				
	B,D				

COMMUNITY COLLEGE _____**June 30, 2004****TRANSFERS**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<u>ALTERNATE/ADDITIONAL PROCEDURES:</u>					
<u>CONCLUSION:</u> We have performed procedures sufficient to achieve the audit objectives for transfers, and the results of these procedures are adequately documented in the accompanying workpapers.					
Incharge _____ Date _____ Manager _____ Date _____ Independent Reviewer _____ Date _____					

COMMUNITY COLLEGE _____**June 30, 2004****NJTP**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
Financial Statement Assertions: 1. Existence and Occurrence 2. Completeness 3. Rights and Obligations 4. Valuation and Allocation 5. Presentation and Disclosure Audit Objectives: A. Notes receivable and tax revenue are valid, are obligations owed to the College and are properly recorded. Certificates payable is authorized and recorded in the proper fund. Recorded expenditures are for NJTP contractual obligations. (1) B. Revenue and expenditures in the period have all been identified. All indebtedness of the College is identified, recorded and disclosed and notes receivables include all amounts owed. (2) C. The College has complied with provisions of indentures and agreements related to debt, including provisions on use of proceeds and has satisfied the relevant legal requirements to receive all revenues recorded. Expenditures are authorized and in accordance with applicable regulations or requirements. (3) D. Disbursements or expenditures (including principal and interest payable) and revenues are recorded at the correct amount, fund and period. (4) E. Expenditures, revenue, debt and notes receivable are properly classified by fund type in the financial statements and related disclosures are adequate. (5) Audit procedures: A. Long-term receivables – NJTP (Chapter 260E of the Code of Iowa) only: 1. Obtain or prepare a schedule, by project, documenting the calculation and balance of the long-term receivables. a. Verify that the beginning balances agree with the prior year ending audited balances, by project. b. Trace the accrual basis expenditures and cash basis revenue used in the calculation to the College's ledgers. (Note: These amounts should not include the proceeds from or retirement of certificates.) c. Document the net change, by project, of the long-term receivable. 1) Current year accrual basis expenditure will increase the receivable. 2) Current year cash basis revenue will decrease the receivable.					
	A,B, C,D				

COMMUNITY COLLEGE _____**June 30, 2004****NJTP**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
d. Recompute the long-term receivable balance. e. Document all differences between the College's recorded balance and the auditor recomputed balance. f. Prepare necessary adjusting journal entries for the College's approval. Note: The current year cash basis revenue plus the long-term receivable should agree to the revenue in the statement of revenue and expense.					
B. Revenue and receipts 1. If the College levied a standby tax, determine that the receipts were deposited in a special fund and used only to pay the principal and interest on NJTP certificates as provided in Chapter 260E.6(4) of the Code of Iowa.	C				
2. Iowa Industrial New Jobs Training Program (NJTP) a. Review the College's system for recognizing NJTP revenue. Determine propriety.	C				
b. Select a number of projects and test receipts for incremental property tax (Chapter 260E.4 of the Code of Iowa) and new jobs credit from withholding (Chapter 260E.5 of the Code of Iowa): 1) Review the Board resolution authorizing the levy on the employer's taxable business property.	C				
2) Confirm amount of incremental property tax with County. (Refer to "Revenue and Receipts" section of audit program)	A,B,C				
3) Recalculate the amount of credit using the gross wages reported by the employer to the College to determine that the credit was applied at one and one-half percent of gross wages.	D				
4) Determine that employers remitted the credit quarterly or as needed in compliance with administrative rules of the Department of Revenue.					
c. Determine if a standby tax levy was used during the fiscal year. 1) Review the appropriate Board resolutions authorizing the levy of the standby tax.	C				
2) Document procedures followed by the College to identify a need for the standby tax levy. (Note: should only be used if all other sources are insufficient). No reserves should be built up in the fund in anticipation of a projected default.					

COMMUNITY COLLEGE**June 30, 2004****NJTP**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p>3) Confirm the amount of standby tax with the appropriate County official(s) (in conjunction with item 2.c above)</p> <p>d. Compare the cumulative amounts received from incremental property taxes and withholdings with the amount of certificates issued to determine that taxes collected did not exceed the amount necessary to retire the certificates plus interest.</p> <p>e. Determine whether the College monitors the funds being received in order to ensure they are sufficient to make the required annual payments.</p> <p>f. Determine that amounts received from the incremental property tax, new jobs credit from withholding and standby tax levy were recorded in a special account as required by Chapters 260E.4, 260E.5(2), and 260E.6(4) of the Code of Iowa, respectively.</p> <p>g. Determine that any payments made from the special account derived from a standby tax levy, are repaid from the first available payments received for program costs which are not required for the payment of or interest on certificates due.</p> <p>h. Determine that funds placed in the special account, as described in item "f" above, were expended for the payment of principal and interest on certificates issued.</p> <p>3. Iowa Small Business New Jobs Training Program (SB-NJTP)</p> <p>a. Review the system established by the College to account for the advance funds and the employer loan repayments.</p> <p>b. Select a number of projects and review the project agreements and applications to the Treasurer of State for advance of moneys:</p> <p>1) Determine that loan does not exceed \$50,000.</p> <p>2) Determine that the amount of the loan does not exceed the estimated project costs.</p> <p>3) Determine that the interest rate to be charged on advances is equal to one half of the average interest rate on tax exempt certificates issued by the College pursuant to Chapter 260E of the Code of Iowa for the previous twelve months.</p> <p>c. Select a number of projects and tests receipts for incremental property tax and new jobs credit from withholding.</p>	A,B,C				

COMMUNITY COLLEGE _____**June 30, 2004****NJTP**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
1) Review the Board resolution authorizing the levy on the employer's taxable business property. 2) Confirm amount of incremental property tax with the County. (Refer to "Revenue and Receipts" section of audit program) 3) Recalculate the amount of credit using the gross wages reported by the employer to the College to determine that the credit was applied at one and one-half percent of gross wages. 4) Determine that employers remitted the credit quarterly or as needed in compliance with administrative rules of the Department of Revenue. d. Compare the cumulative amounts received from incremental property taxes and withholdings with the amount of certificates issued to determine that taxes collected did not exceed the amount necessary to retire the certificates plus interest. e. Determine whether the College monitors the funds being received in order to ensure they are sufficient to make the required payments. f. Determine that College has properly remitted receipts representing repayment of the advance plus interest to the Treasurer of State in accordance with Chapters 260F.4 and 260F.5(2) of the Code of Iowa.	C A,B,C D				
C. Expenditures 1. Select a number of project disbursements for testing the following: a. Supported by invoice or certification from employer. b. Invoice was mathematically accurate. c. Costs were for the period of the project. d. Charged to the proper project. e. Charged to the proper classification. f. Allowable project costs. g. Compliance with the terms and conditions of the project agreement. 2. Determine that no costs except legal fees and reasonable administrative costs were charged to the project prior to the date of the preliminary or notice of preliminary agreement.	A,C,D				

COMMUNITY COLLEGE**June 30, 2004****NJTP**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
3. Determine that the only direct costs incurred by the College were for legal fees, underwriting fees and teachers salaries paid by the College for teaching NJTP courses. 4. Recalculate administrative costs to determine that the total did not exceed the rate allowed. 5. Review the College's allocation plan for recognizing administrative costs and determine reasonableness. 6. Document the system the College has established to monitor the employer's compliance with the terms and conditions of the project agreement and applicable law. 7. Select a number of NJTP projects and review evidence to determine that the College adequately monitored the projects. Inadequate monitoring by the College may indicate the necessity of site visits by the auditor and/or comment. 8. Determine that recorded costs were budgeted and that the total budget was not exceeded. 9. If budget was exceeded, determine whether the College collected the balance from the company or how they absorbed it. D. Bonds/Certificates payable 1. Review the debt instrument for compliance with terms and conditions: a. Review the resolution for issuance of new debt. b. Test premiums or discounts and accrued interest on bonds or certificates sold to determine compliance with the provisions of Chapters 75 and 260E.6(1) of the Code of Iowa. c. Determine that the proceeds from new debt issued were properly recorded and trace proceeds to the bank statement. d. If proceeds from new debt are not immediately needed, determine whether they were invested and if the interest earned was credited to the project fund or used to reduce the debt, in accordance with Chapter 12C.9(2) of the Code of Iowa. e. Determine that the College published a notice of intention to issue certificates stating the purpose, amount and project(s) as required by Chapter 260E.6(5) of the Code of Iowa. f. Determine compliance with sinking fund requirements (should be shown in retirement of indebtedness subfund). g. Determine that proceeds were used for the intended purpose.					
	A,B,C				
	C				
	A,C				
	C				
	C,D				
	C				

COMMUNITY COLLEGE**June 30, 2004****NJTP**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<ul style="list-style-type: none"> h. Determine that bonds or certificates payable were retired from appropriate revenue sources as provided by Chapters 260C.22, 260E, 260F of the Code of Iowa. i. Determine that premiums/discounts and issue costs are properly recorded and amortized, if applicable. j. Determine that issue costs do not exceed 2% for tax exempt bonds/certificates. 	D				
2. Confirm principal amount, maturity date, interest rate, collateral and security.	A,B,C				
3. Obtain or prepare a schedule reconciling and analyzing changes in the account balance(s) during the year and test the changes. Investigate any discrepancies.	B,D				
E. High Technology Apprenticeship Program: (260F)					
1. Determine if the College administered a high technology apprenticeship program.					
a. Document the amount received from the Iowa Department of Economic Development (DED).					
b. Determine that the College funded the program up to the amount distributed to the College by DED.					
2. Matching requirements					
a. Determine if the College received matching funds from businesses, Community College consortiums or a business network.					
b. If the request for an apprenticeship was less than \$5,000, determine that matching funds were in the form of in-kind match.					
c. If the project request is \$5,000 or more, determine if the business, Community College consortium, or business network provided the required cash to pay at least 25% of the total project cost, including training and administration.					
3. Determine if the College entered into a contract with the business or apprenticeship sponsor. This contract must be entered into within 90 days of the College being notified of the approval of the apprenticeship project by DED.					
4. Determine if the apprenticeship sponsor prepared a Final Performance report at the completion of training. This is a condition of the loan being forgiven. Each participant in the program must submit the report.					
5. Verify the accuracy of the report.					
F. Miscellaneous					
1. Review NJTP annual report submitted to Department of Revenue for accuracy and completeness.					

COMMUNITY COLLEGE _____**June 30, 2004****NJTP**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
2. Determine that the College reported to the Department of Revenue the amount of withholding paid by the business to the College during the final 12 months of withholding payments (Chapter 260E.5(5) of the Code of Iowa). 3. Determine that the College identified all businesses that were part of a multiple issue certificate under Code 260E and which have met their repayment obligation. 4. Determine that the College has complied with other reporting and filing requirements for NJTP in accordance with the Code of Iowa and Administrative Rules. G. Supplemental New Jobs Credit from Withholding 1. Determine whether the College entered into any agreements pursuant to Chapter 15.331 of the Code of Iowa. 2. Perform testing as deemed necessary. H. Job Retention Program 1. Determine whether the College entered into any agreements pursuant to Chapter 260F.9 of the Code of Iowa. 2. Perform testing as deemed necessary. I. Determine if risk of material misstatement due to fraud has changed based on results of substantive tests performed. If so, perform appropriate procedures. J. Determine whether NJTP activity has been properly classified and disclosures are adequate.	E				

NJTP

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<u>ALTERNATE / ADDITIONAL PROCEDURES:</u>					
<u>CONCLUSION:</u>					
We have performed procedures sufficient to achieve the audit objectives for NJTP, and the results of these procedures are adequately documented in the accompanying workpapers.					
Incharge _____ Date _____					
Manager _____ Date _____					
Independent Reviewer _____ Date _____					

COMMUNITY COLLEGE _____**June 30, 2004****INSURANCE AND SELF INSURANCE**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
Financial Statement Assertions: 1. Existence and Occurrence 2. Completeness 3. Rights and Obligations 4. Valuation and Allocation 5. Presentation and Disclosure Audit Objectives: A. Claims paid in the period are recorded correctly as to account, amount, and period and are disbursed in accordance with the College's policies and procedures for claims settlement. (1,3,4) B. Reserves for claim losses represent a reasonable estimate of the College's liability for claims filed and incurred but not reported (IBNR) claims. (1,2,3,4) C. Insurance (self-insurance) revenues, operating transfers, expenditures, assets, liabilities, and fund equity are properly classified and described in the fund financial statements and related disclosures are adequate. (5) D. The College has complied with applicable laws and regulations. Audit Procedures: A. Inquire about the College's policies and procedures for administering and financing insurance claims, including whether insurance policies are carried for complete coverage of some or all risks, or only for excess liabilities. B. Prepare a workpaper to summarize amount and type of significant coverage. Review coverage to: 1. Determine if reasonable and current. 2. Determine if capital assets are adequately insured. 3. Determine significant areas in which risk is retained. C. Verify and review surety bond coverage for reasonableness and compliance with statutory requirements for all officials and employees in accordance with Chapters 260C.12 and 291.2 of the Code of Iowa. D. If a separate Insurance Fund has been established, consider analytical procedures such as comparing claims expenditures and other fund transactions (i.e. employee contributions, insurance premiums, and administrative fees) to the prior period actual and relate to the number of covered employees (if applicable). E. Review charges by the Insurance Fund to other funds and determine if they are in accordance with GASB 10 (GASB Codification, Section C50.121-126): 1. May use any method to allocate loss expenditures/expenses to other funds of the entity. Transactions that constitute reimbursements of the					
	A,B				
	A				
	B				

COMMUNITY COLLEGE**June 30, 2004****INSURANCE AND SELF INSURANCE**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p>Unrestricted Fund for expenditures/expenses initially made from it that are properly applicable to another fund should be reported as expenditures or expenses in the reimbursing fund and as reductions of the expenditure/expense in the Unrestricted Fund. However, if total amount charged to other funds (including charges to Unrestricted Fund) exceed claims expenditures, the excess should be reported as non-mandatory transfers.</p> <p>F. Review estimates of losses from claims with a responsible official and determine if properly recorded as an expenditure/expense and liability. Estimates should include:</p> <ol style="list-style-type: none"> 1. Reported claims that meet criteria of FASB 5 and GASB Codification, Section C50.110-120. 2. Incurred but not reported (IBNR) claims that meet criteria of FASB 5. Determine that the basis used to estimate IBNR claims is reasonable. 3. If the College participates in a public entity risk pool and is subject to a supplemental premium assessment, an accrual should be made if the likelihood of such assessment meets criteria of FASB 5. 4. If the College participates in a public entity risk pool but is not subject to a supplemental premium assessment, review economic viability of pool with responsible official and determine if liability should be recorded based on certain conditions. 5. If the College participates in a public entity risk pool, inquire with responsible officials about the College's plans for continuing its participation into the pool. If the College has plans to terminate its membership, determine if additional liabilities should be recorded based on terms of the agreement to participate. <p>G. If the College has a self-funded health insurance plan, including self-funded deductibles:</p> <ol style="list-style-type: none"> 1. Obtain a copy of the actuarial report required by Chapter 509A.15 of the Code of Iowa. 2. Examine report to determine reasonableness of reserves. Determine if additional liability should be recorded in the College's financial statements. 3. Determine if a copy of the actuarial opinion and annual financial report were filed with the Insurance Commissioner within 90 days of year-end. 4. If an actuarial report was not obtained because the College qualified under Chapter 509A.15(4) of the Code of Iowa, determine that a waiver was properly requested to the Iowa Insurance Division. 	B				
	B,D				

COMMUNITY COLLEGE _____**June 30, 2004****INSURANCE AND SELF INSURANCE**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p>H. If an outside administrator or service company is used:</p> <ol style="list-style-type: none"> 1. Obtain a copy of the annual report on the status of the program. 2. Review report for estimates of liabilities for claims filed and IBNR claims. 3. Compare report with prior periods and discuss any unusual variances with responsible official. 4. Compare amounts in report with recorded estimated liabilities. 	A,B				
<p>I. Determine adequacy of financial statement presentation and disclosures.</p> <ol style="list-style-type: none"> 1. Financial statement presentation considerations should include: <ol style="list-style-type: none"> a. If a single fund is used to record risk financing activities, it should be the Unrestricted Fund. b. If the College participates in a public entity risk pool in which there is no transfer of risk to the pool or pool participants, contributions to the pool should be reported as either deposits (if not expected to pay claims) or as reductions of claims liability (if used to pay claims in accordance with GASB 10 (GASB Codification, Section C50.135) and SOP 98-7 (Statement of Position). c. If the College made contributions to a public entity risk pool with transfers or pooling of risk: <ol style="list-style-type: none"> 1) Determine contributions are recorded as deposits if a return of those contributions is probable. 2) If not probable, then determine contributions are recorded as prepaid insurance to be allocated as expenditures/expenses over future periods, or alternatively, in governmental funds, as expenditures in the period made. 2. Disclosures should include: <ol style="list-style-type: none"> a. Description of risks of loss the entity is exposed to and ways in which those risks are handled (i.e., purchase of commercial insurance, participation in a public entity risk pool, or risk retention). Describe significant reductions, if any, in insurance coverage from the previous year by major category of risk, and any settlements in excess of insurance coverage in any of the prior three fiscal years. 	C				

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p>b. If the College participates in a public entity risk pool, describe the nature of participation and rights and responsibilities of the entity and the pool.</p> <p>c. If the College retains some risk of loss, include the additional disclosures required by GASB 10 (GASB Codification, Section C50.144(d)).</p> <p>J. Determine if risk of material misstatement due to fraud has changed based on results of substantive tests performed. If so, perform appropriate procedures.</p> <p><u>ALTERNATE/ADDITIONAL PROCEDURES:</u></p> <p><u>CONCLUSION:</u></p> <p>We have performed procedures sufficient to achieve the audit objectives for insurance and self insurance, and the results of these procedures are adequately documented in the accompanying workpapers.</p> <div style="display: flex; justify-content: space-between;"> Incharge _____ Date _____ </div> <div style="display: flex; justify-content: space-between;"> Manager _____ Date _____ </div> <div style="display: flex; justify-content: space-between;"> Independent Reviewer _____ Date _____ </div>					

COMMUNITY COLLEGE**June 30, 2004****SINGLE AUDIT**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
Audit Objectives: A. Federal revenues and expenditures are valid and complete and, if applicable, indirect costs are allocated properly. B. Federal revenues and expenditures are properly presented in the financial statements. C. The College has complied with laws and regulations affecting the expenditure of grant funds. Note: Programmatic requirements are unique to each federal program and can be found in the laws, regulations, and provisions of contract and grant agreements pertaining to the program. For programs listed in the compliance supplement, the programmatic requirements can be found in Part 4. For those not covered in the compliance supplement, review Part 7 of the supplement. Audit Procedures: A. Review applicable reference material: <ol style="list-style-type: none"> OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. OMB Circular A-133 Compliance Supplement. OMB Circular A-102 (Revised), Grants and Cooperative Agreements with State and Local Governments (March 3, 1988). OMB Circular A-21, Cost Principles for Educational Institutions. (Revised July 1993) OMB Circular A-88, Indirect Cost Rates, Audit and Audit Follow-Up at Educational Institutions. Statement on Auditing Standards (SAS) No. 74, Compliance Auditing Considerations in Audits of Governmental Entities and Other Recipients of Governmental Financial Assistance (AICPA, Professional Standards, vol.1, AU801). GAO <u>Government Auditing Standards</u> (the Yellow Book), 1994 revision. Federal Cognizant Agency Audit Organization Guidelines (the Orange Book) Revised November 1987. AICPA Audit Guide, Audits of State and Local Governmental Units. AICPA Audit Guide, Audits of Colleges and Universities. OMB Catalog of Federal Domestic Assistance. Applicable sections of the Code of Federal Regulations. B. Obtain or prepare a Schedule of Expenditures of Federal Awards. If prepared by auditor, determine that independence will not be impaired. The schedule should include:					
	A				

June 30, 2004

SINGLE AUDIT

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
1. Federal grantor or pass-through agency, if applicable. 2. Program name. 3. CFDA number. 4. Grant number. 5. Program or award amount. 6. Program disbursements/expenditures (for cash awards) or value of non-cash assistance (for non-cash awards). 7. All programs completed and/or terminated during the year and all programs open without monies being received or expended during the audit period. C. Determine that each program's name and CFDA number reported on the Schedule of Expenditures of Federal Awards agrees with the CFDA Agency Program Index. D. Reconcile appropriate amounts on the Schedule of Expenditures of Federal Awards to amounts in the financial statements and to amounts in the accounting records and document accordingly. E. For each major program being reviewed, obtain the following information: 1. Grant agreement, application or pass-through agreement and any amendments. 2. Pertinent correspondence, including budget and program modifications. 3. Financial reports. 4. Reference material for clarification of grant/program Audit Objectives and compliance requirements. 5. Identification of subrecipients, if applicable. 6. Basis of accounting. 7. Contact person. 8. Account codes used to account for program activities. 9. Names and addresses of grantors (direct and indirect). F. Include copies of pertinent information relating to major programs in the permanent file. G. Search for unlisted federal programs not previously identified. H. Review prior year audit reports to determine the nature of previous findings and questioned costs. Document the status of resolved and unresolved issues in the workpapers. Status will also be included in the College's report in a Summary Schedule of Prior Audit Findings. I. If applicable, send a letter of understanding to the cognizant agency.	A,B				
	A				
	A				
	C				

COMMUNITY COLLEGE _____**June 30, 2004****SINGLE AUDIT**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p>J. Compliance testing for major programs</p> <ol style="list-style-type: none"> 1. Test compliance with applicable common requirements. (See following separate audit program sections.) 2. Review Compliance Supplement for any special tests and provisions and perform appropriate procedures to ensure compliance. 3. Report the following items in Part III of the Schedule of Findings and Questioned Costs in accordance with Circular A-133 (par. 510): <ol style="list-style-type: none"> a. Reportable conditions in internal control over major programs. b. Material non-compliance with the provisions of laws, regulations, contracts, or grant agreements related to a major program. c. Known or likely questioned costs which are greater than \$10,000 for a type of compliance requirement for a major program. (Should include information to provide proper perspective for judging the prevalence and consequences of the questioned costs) d. Known questioned costs which are greater than \$10,000 for a type of compliance requirement for a federal program which is not audited as a major program. (Note: except for audit follow-up, the auditor is not required to perform audit procedures for such federal programs) e. The circumstances concerning why the auditor's report on compliance for major programs is other than an unqualified opinion, unless such circumstances are otherwise reported as findings. f. Known fraud affected a federal award, unless such fraud is otherwise reported as a finding. g. Instances where the results of audit follow-up procedures disclosed that the summary schedule of prior audit findings prepared by the auditee materially misrepresent the status of any prior audit finding. 4. Report other findings in Part IV of the Schedule of Findings and Questioned Costs. 5. Obtain the Department of Education survey form for the Carl Perkins allocation. Obtain the form prepared in the current fiscal year for the next fiscal year's allocation. <ol style="list-style-type: none"> a. Verify the accuracy of the College's Pell grant students. b. For material variances, comment accordingly. 	C				

COMMUNITY COLLEGE**June 30, 2004****SINGLE AUDIT**
COMMON REQUIREMENTS

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p>The following applicable common requirements should be tested in conjunction with the other tests of detail or through other appropriate tests:</p> <p>A. <u>ACTIVITIES ALLOWED OR UNALLOWED:</u></p> <ol style="list-style-type: none"> 1. Identify the types of activities allowed and unallowed for the program(s) tested. 2. If allowability is determined based upon summary level data, verify allowability of the activity and that individual transactions were properly classified and accumulated into the activity total. 3. If allowability is determined based upon individual transactions, select a sample of transactions and verify allowability of the activity. Be alert for any large dollar transfers from program accounts which may have been used to fund unallowable activities. 4. If the agency under audit is considered a pass-through entity, test a sample of approved subrecipient agreements to verify that the activities covered by the agreement are allowable. <p>B. <u>ALLOWABLE COSTS/COST PRINCIPLES:</u></p> <ol style="list-style-type: none"> 1. For transactions selected which involve federal funds determine whether the costs meet the following criteria: <ol style="list-style-type: none"> a. Authorized or not prohibited under state or local laws or regulations. (Certain costs require specific approval; others are not allowable.) b. Approved by the federal awarding agency, if required. c. Conform to any limitations or exclusions set forth in the Circular (A-87, A-21, A-122), or limitations in the program agreement or specific requirements in the program regulations. d. Costs must be allocable to the federal awards under the provisions of OMB's cost principal circulars (A-87, A-21, A-122). e. Represent charges for actual costs, not budgeted or projected amounts. f. Allocations of fringe benefits allocations, changes or rates are based on the benefits received by different classes of employees within the organization. g. Given consistent treatment with policies, regulations, and procedures applied uniformly to federal and non-federal activities of the agency. h. Given consistent accounting treatment within and between accounting periods and not allocable to or included as a direct cost of a federal program if the 					

COMMUNITY COLLEGE**June 30, 2004****SINGLE AUDIT**
COMMON REQUIREMENTS

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p>same or similar costs are allocated to the federal program as an indirect cost.</p> <p>i. Calculated in conformity with a generally accepted accounting principles or other comprehensive basis of accounting, when required under the cost principles circulars.</p> <p>j. Not included as a cost or used to meet cost sharing or matching requirements of another federally supported activity in either the current or a prior period.</p> <p>k. Costs must be net of all applicable credits that result from transactions that reduce or offset direct or indirect costs.</p> <p>l. Not included as both a direct billing and a component of indirect costs, i.e., excluded from costs pools included in cost allocation plans (CAPS.)</p> <p>m. Supported by underlying documentation.</p> <p>2. When material charges are made from internal service, central service, pension, or similar activities or funds, verify that the charges from these activities or funds are in accordance with the cost principal circulars.</p> <p>a. For activities accounted for in separate funds, ascertain if:</p> <p>1) Retained earnings/fund balances (including reserves) were computed in accordance with the applicable cost principles.</p> <p>2) Working capital was not excessive in amount (generally not greater than 60 days for cash expenses for normal operations incurred for the period exclusive of depreciation, capital costs and debt principal costs).</p> <p>3) Refunds were made to the federal government for its share of any amounts transferred or borrowed from internal service or central service funds for purposes other than to meet the operating liabilities, including interest on debt, of the fund.</p> <p>b. Verify that all users of services were billed in a consistent manner.</p> <p>c. Verify the billing rates exclude unallowable costs.</p> <p>d. Verify, where billing rates are not accounted for in separate funds, that billing rates are developed based on actual costs and were adjusted to eliminate profit.</p> <p>e. For organizations that have self-insurance and a certain type of fringe benefit programs (e.g. pension funds), verify that independent actuarial studies</p>					

COMMUNITY COLLEGE**June 30, 2004****SINGLE AUDIT**
COMMON REQUIREMENTS

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p>appropriate for such activities are performed at least biennially and that current costs were allocated based on an appropriate study which is not over two years old.</p> <p>3. Cost Allocation Plans/Indirect Cost Rate Agreements.</p> <p>Determine whether material indirect costs or centralized or administrative services are being charged to federal programs. If such costs are being charged, perform the following procedures:</p> <ol style="list-style-type: none"> Obtain and read the current Cost Allocation Plan (CAP) or negotiable agreement and determine the types of rates and procedures required. Obtain and read the Current CAP and/or Indirect Cost Rate Agreement and determine the terms of the allocation plan and/or rate agreement in effect (i.e., predetermined, fixed with carryforward provisions or provisional/final). Verify the methods of charging costs to federal awards are in accordance with the provisions of the approved CAP or prepared CAP on file. Determine whether the CAP's or Indirect Cost Rate Proposals (IDCRP's) have been approved by the appropriate federal agency and whether the resultant rates or amounts charged are final or still open to adjustment or revision, either immediately or as a carry over adjustment in a future period. If approved and final, the results of the audit work shall be reflected, if appropriate, in recommendations for future procedural improvements. Examine claims submitted to the federal agency for reimbursement. Determine if the amounts charged and rates used are in accordance with the plan and if rates are being applied to the appropriate base. Review, on a test basis, supporting documentation to determine whether: <ol style="list-style-type: none"> The indirect cost pool or centralized service costs contain only allowable costs in accordance with the applicable OMB's cost principles Circulars (A-87, A-21, A-122). The methods of allocating the costs are in accordance with the provisions of Circular A-87, other applicable regulations and negotiated agreements. Statistical data in the proposed allocation or rate bases are reasonable, updated as necessary and do not contain any material omissions. 					

COMMUNITY COLLEGE**June 30, 2004****SINGLE AUDIT**
COMMON REQUIREMENTS

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p>4) Time studies or time and effort reports are mathematically and statistically accurate, are implemented as approved, and are based on the actual effort devoted to the various functional and programmatic activities to which the salary and wage costs are charged.</p> <p>5) The allocation methodology is consistent and test the appropriateness of methods used to make changes.</p> <p>6) The indirect costs charged to federal programs are supported by amounts recorded in the accounting records from which the most recently issued financial statements were prepared.</p> <p>C. <u>CASH MANAGEMENT</u>:</p> <ol style="list-style-type: none"> 1. Review the College's cash advancement or reimbursement process(es) and evaluate for adequacy. 2. If an advancement method is used, review the College's system to determine if it is adequate to limit the amount of federal cash to immediate needs. 3. If a reimbursement method is used, review the College's system to determine if it is adequate to ensure the requests are properly supported and made in a timely manner. 4. For selected grant programs, determine dates and amounts for selected advances, drawdowns and other receipts of federal funds and compare to the dates the funds were disbursed and/or checks were presented to the banks for payment. 5. For the same programs, evaluate the size of the balances in relation to the program's needs. 6. Review records to determine if interest was earned on advances and whether it was returned to the appropriate agency. 7. Review the College's system for monitoring advances and payment requests by secondary recipients. Evaluate whether the system is sufficient to limit payments to amounts needed to meet immediate cash requirements. 8. Review selected cash reports submitted by subrecipients and determine if the reports show large amounts of excess cash. If they do, ascertain why. <p>D. <u>DAVIS-BACON ACT</u>:</p> <ol style="list-style-type: none"> 1. Identify the programs involving construction activities. 2. Review selected construction contracts and subcontracts and determine whether they contain provisions requiring 					

COMMUNITY COLLEGE**June 30, 2004****SINGLE AUDIT
COMMON REQUIREMENTS**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p>the payment of "prevailing" wages. This is applicable to all construction contracts which exceed \$2,000.</p> <p>3. Review the College's system for monitoring applicable contractors and subcontractors with respect to payment of prevailing wages and evaluate for adequacy.</p> <p>4. Review the monitoring system for contracts for selected programs and determine whether there is adherence to the prescribed procedures.</p> <p>5. Examine a sample of contractor or subcontractor payroll submissions and certifications and determine if such submissions indicate that laborers and mechanics were paid the prevailing wage rates established by the Department of Labor for the locality.</p> <p>6. For recipients who have not developed a system, or whose system is not operating effectively:</p> <p>a. Obtain the "local" DOL wage determination from the recipient, the architect/engineer (A/E) managing the project, or DOL.</p> <p>b. Obtain from the client, payroll registers of the construction company and test to determine whether wages paid conform to prevailing wages.</p> <p>E. <u>ELIGIBILITY</u>:</p> <p>1. Individuals:</p> <p>a. For some federal programs with a large number of individuals receiving benefits, the College may use a computer system for the processing of individual eligibility determinations and the delivery of benefits. U.S. generally accepted auditing standards provide guidance for the auditor when computer processing relates to accounting information that can materially affect the financial statements being audited. When eligibility is material to a major program, and a computer system is integral to eligibility compliance, the auditor should follow this guidance and consider the College's computer processing.</p> <p>1) Perform audit procedures relevant to the computer system as needed to support the opinion on compliance for the major program.</p> <p>2) These tests may be performed as part of testing the internal controls for eligibility.</p> <p>b. Perform procedures to determine completeness of the population.</p> <p>c. Select a sample of individuals receiving benefits and perform tests to determine if the:</p>					

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COMMON REQUIREMENTS

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<ol style="list-style-type: none"> 1) Individuals were eligible in accordance with the compliance requirements of the program. (Note: Some programs have initial and continuing eligibility requirements.) 2) Benefits paid to or on the behalf of the individuals were calculated correctly and in compliance with the requirements of the program. 3) Benefits were discontinued when the period of eligibility expired, or if the person became ineligible. <ol style="list-style-type: none"> 2. Group of Individuals or Area of Service Delivery: <ol style="list-style-type: none"> a. Test information used in determining eligibility and determine if the population or area of service delivery was eligible. b. Perform test to determine if: <ol style="list-style-type: none"> 1) The population or area served were eligible. 2) The benefits paid to or on behalf of the individuals or area of service delivery were calculated correctly. 3. Subrecipients: <ol style="list-style-type: none"> a. If the determination of eligibility is based on an approved application or plan, obtain a copy of the document and identify the applicable eligibility requirements. b. Select a sample of the awards to the subrecipients and perform procedures to verify that the subrecipients were eligible and amounts awarded were within funding limits. <p>F. <u>EQUIPMENT AND REAL PROPERTY:</u></p> <ol style="list-style-type: none"> 1. For subrecipients of states that are local governments (Colleges): <ol style="list-style-type: none"> a. Obtain a copy of the College's policies and procedures for equipment management and determine if they comply with the state's policies and procedures. b. Select a sample of equipment transactions and test for compliance with the state's policies and procedures for management and disposition of equipment. 2. For non-profit organizations and federal awards received directly from a federal awarding agency by the College: 					

COMMUNITY COLLEGE _____**June 30, 2004****SINGLE AUDIT**
COMMON REQUIREMENTS

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<ul style="list-style-type: none"> a. Inquire if a required physical inventory of equipment acquired under federal awards was taken within the last two years. Test whether any differences between the physical inventory and equipment records were resolved. b. Identify equipment acquired under federal awards during the audit period and trace selected purchases to the property records. Verify that the property records contain the following information about the equipment: <ul style="list-style-type: none"> 1) Description (including serial numbers, or other identification numbers). 2) Source. 3) Title holder. 4) Acquisition date and cost. 5) Percentage of federal participation in the cost. 6) Location. 7) Condition. 8) Ultimate disposition data including date of disposal, sale price or method used to determine fair market value. 3. Select a sample of equipment identified as acquired with federal awards from the property records and observe the equipment. 4. Disposition of Equipment <ul style="list-style-type: none"> a. Determine the amount of equipment dispositions for the year and identify equipment acquired with federal awards. b. Perform procedures to verify that the dispositions were properly reflected in the property records. c. For equipment with a current per-unit fair market value in excess of \$5,000, determine whether the awarding agency was reimbursed for the appropriate federal share. 5. Disposition of Real Property (applicable to all entities): <ul style="list-style-type: none"> a. Determine real property dispositions for the audit period and identify property acquired with federal awards. b. Perform procedures to verify that the College followed the instructions of the awarding agency which will normally require reimbursement to the awarding agency of the federal portion of net sales 					

COMMUNITY COLLEGE _____

June 30, 2004

**SINGLE AUDIT
COMMON REQUIREMENTS**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p>or fair market value at the time of disposition, as applicable.</p> <p>G. <u>MATCHING, LEVEL OF EFFORT, EARMARKING:</u></p> <ul style="list-style-type: none"> • <u>Matching</u> – includes requirements to provide contributions (usually non-federal) of a specified amount or percentage to match federal awards. Match may be in the form of cash or in-kind contributions. • <u>Level of Effort</u> – includes requirements for (a) a specified level of service to be provided from period to period, (b) a specified level of expenditures from non-federal or federal sources for specified activities to be maintained from period to period, and (c) federal funds to supplement and not supplant non-federal funding of services. • <u>Earmarking</u> – includes requirements that specify the minimum and/or maximum amount or percentage of the programs funding that must/may be used for specified activities, including funds provided to Subrecipients. <p>Matching:</p> <ol style="list-style-type: none"> 1. Perform test to verify that the required matching contributions were met. 2. Determine the sources of matching contributions and perform tests to verify that they were from an allowable source. 3. Test records to corroborate that the value placed on in-kind contributions are in accordance with OMB cost principles circulars, the A-102 Common Rule, program regulations and the terms of the award. 4. Test transactions used to match for compliance with allowable costs/cost principles requirements. This test may be performed in conjunction with the testing of the requirements related to allowable cost/cost principles. <p>Level of Effort:</p> <ol style="list-style-type: none"> 1. Identify the required level of effort and perform tests to verify that the level of effort requirement was met. 2. Perform tests to verify that only allowable categories of expenditures or other effort indicators (e.g., hours, number of people served), were included in the computation and that the categories were consistent from year to year. 					

COMMUNITY COLLEGE _____**June 30, 2004****SINGLE AUDIT**
COMMON REQUIREMENTS

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p>3. Perform procedures to verify that the amounts used in the computation were derived from the books and records from which the audited financial statements were prepared.</p> <p>4. Perform procedures to verify that non-monetary effort indicators were supported by official records.</p> <p>Level of Effort – Supplement not Supplant:</p> <p>1. Determine if the College used federal funds to provide services which they were required to make available under federal, state or local law and were also made available by funds subject to the supplement not supplant requirement.</p> <p>2. Determine if the College used federal funds to provide services which were provided with non-federal funds in prior years.</p> <p>a. Identify the federally funded services.</p> <p>b. Perform procedures to determine whether the federal program funded services that were previously provided with non-federal funds.</p> <p>c. Perform procedures to determine if the total level of services applicable to the requirement increased in proportion to the level of federal contribution.</p> <p>Earmarking:</p> <p>1. Identify the applicable percentage or dollar requirements for earmarking.</p> <p>2. Perform procedures to verify that the amounts recorded in the financial records meet the requirements (e.g. minimum amounts determine that records show at least the minimum was charged.)</p> <p>3. When requirements specify a minimum percentage or amount, select a sample of transactions supporting the specified amount or percentage and perform tests to verify proper classification to meet the minimum percentage or amount.</p> <p>4. When requirements specify a maximum percentage or amount, review the financial records to identify transactions for the specified activity which were improperly classified in another account. (e.g. If administrative costs are limited to 10%, review other accounts charged to the activity for administrative expense which, if incorrectly coded, would cause the maximum percentage to be exceeded).</p>					

COMMUNITY COLLEGE**June 30, 2004****SINGLE AUDIT**
COMMON REQUIREMENTS

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p>H. <u>PERIOD OF AVAILABILITY OF FEDERAL FUNDS:</u></p> <ol style="list-style-type: none"> 1. Review the award documents and regulations pertaining to the program and determine any award specific requirements related to for the period of availability and document the availability period. 2. Test a sample of transactions charged to the federal award after the end of the period of availability and verify that the underlying obligations occurred within the period of availability and that the payment was made within the allowed time period. 3. Test a sample of transactions that were recorded during the period of availability and verify that the underlying obligations occurred within the period of availability. 4. Select a sample of adjustments to the federal funds and verify that these adjustments were for transactions that occurred during the period of availability. <p>I. <u>PROCUREMENT AND SUSPENSION AND DEBARMENT:</u></p> <p>For non-profit organizations and federal awards received directly from a federal awarding agency by the College:</p> <ol style="list-style-type: none"> 1. Obtain the College's procurement policies and verify that the policies comply with applicable federal requirements. 2. Determine if the College has a policy to use statutorily or administratively imposed in-state or local geographical preferences in the evaluation of bids or proposals. If such policy exists, verify that these limitations were not applied to federal procurements except were applicable federal statutes expressly mandate or encourage geographical preference. 3. Examine procurement policies and procedures and verify the following: <ol style="list-style-type: none"> a. Written selection procedures require that solicitations incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured, identify all requirements that the offer must fulfill, and include all other factors to be used in evaluating bids or proposals. b. There is a written policy pertaining to ethical conduct. 4. Select a sample of procurements and perform the following: 					

COMMUNITY COLLEGE**June 30, 2004****SINGLE AUDIT**
COMMON REQUIREMENTS

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<ol style="list-style-type: none"> Examine contract files and verify that they document the significant history of the procurement, including rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis of contract price. Verify that procedures provide for full and open competition. Examine documentation in support of the rationale to limit competition in those cases where competition was limited and determine if the limitation was justified, Examine contract files and determine that a cost or price analysis was performed in connection with procurement actions, including contract modifications and that this analysis supported the procurement action. Verify that the awarding federal agency approved procurements exceeding \$100,000 when such approval was required. Procurements (1) awarded by non-competitive negotiations, (2) awarded when only a single bid or offer was received (3) awarded to other than the apparent low bidder, or (4) specifying a "brand name" product require prior federal awarding agency approval. <p><i>The following only apply to states and federal awards subgranted by the state to the College.</i></p> <ol style="list-style-type: none"> Test a sample of procurements to determine if the state's laws and procedures were followed and that the policies and procedures used were the same as for state funds. <p><i>The following procedure applies to all non-federal entities.</i></p> <ol style="list-style-type: none"> Test a sample of procurements and subawards and determine if the required suspension and debarment certifications were received for subawards and covered contracts. Alternately, select a sample of procurements and subawards and determine that parties are not included on the <u>List of Parties Excluded From Federal Procurement or Non-procurement Programs</u>, issued by the General Services Administration. <p>J. <u>PROGRAM INCOME</u>:</p> <ol style="list-style-type: none"> Identify any program income. <ol style="list-style-type: none"> Review laws and regulations, the provisions of contract, and grant agreements applicable to the program and determine if program income was anticipated and, if so, the requirements for recording and using program income. 					

COMMUNITY COLLEGE**June 30, 2004****SINGLE AUDIT**
COMMON REQUIREMENTS

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<ul style="list-style-type: none"> b. Inquire of management and review accounting records to determine if program income was received. 2. Perform tests to verify that all program income was properly recorded in the accounting records. 3. Perform tests to determine if program income was used in accordance with the program requirements. <p>K. <u>REAL PROPERTY ACQUISITION AND RELOCATION ASSISTANCE:</u></p> <ul style="list-style-type: none"> 1. Determine whether the College is administering a federal or federally-assisted program that involves the acquisition of property or the displacement of households or businesses. 2. Property Acquisition: <ul style="list-style-type: none"> a. Appraisal – test records to verify: <ul style="list-style-type: none"> 1) The just compensation amount offered the property owner was determined by an appraisal process. 2) The appraisal(s) was examined by a review appraiser. 3) The review appraiser prepared a signed statement which explains the basis for adjusting comparable sales to reach the review appraiser's determination of the fair market value. b. Negotiations – verify from supporting documentation that: <ul style="list-style-type: none"> 1) A written offer of the appraised value was made to the property owner. 2) A written justification was prepared if the purchase price for the property exceeded the amount offered and that the documentation (e.g. recent court awards, estimated trial cost ext.) supports such administrative settlement as being reasonable, prudent, and in the public interest. c. Residential Relocations – verify from supporting documentation that the College made available to the displaced persons one or more comparable replacement dwellings. 3. Replacement Housing Payments – Examine the College's records to verify and determine if there is documentation that supports the following: <ul style="list-style-type: none"> a. The owner occupied the displacement dwelling for at least 180 days immediately prior to initiation of negotiations. 					

COMMUNITY COLLEGE**June 30, 2004****SINGLE AUDIT**
COMMON REQUIREMENTS

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<ul style="list-style-type: none"> b. The College examined at least three comparable replacement dwellings available for sale and computed the payment on the basis of the price of the dwelling most representative of the displacement dwelling. c. The asking price for the comparable dwelling was adjusted, to the extent justified by local market data, to recognize local area selling price reductions. d. The allowance for increased mortgage costs "buy down" amounts was computed based on the remaining principal balance, the interest rate, and the remaining term of the old mortgage on the displacement dwelling. e. The College prepared written justification on the need to employ last resort housing provisions, if the total replacement housing payment exceeded \$22,500. <p>4. Rental or Downpayment Assistance – Examine the College's records to determine if there is documentation that supports the following:</p> <ul style="list-style-type: none"> a. The displacee occupied the displacement dwelling for at least 90 days immediately prior to initiation of negotiations. b. The displacee rented, or purchased, and occupied a decent, safe, and sanitary replacement dwelling within one year. c. The College prepared written justification if the payment exceeded \$5,250. <p>5. Business Relocations</p> <ul style="list-style-type: none"> a. Moving expenses – Verify that payments for moving and related expenses were for actual costs incurred or that fixed payments, in lieu of actual costs, were limited to a maximum of \$20,000 and computed based on the average annual net earnings of the business as evidenced by income tax returns, certified financial statements, or other reliable evidence. a. Business Reestablishment Expense – Verify that (1) the displacee was eligible as a farm operation, non-profit organization, or a small business to receive reestablishment assistance, and (2) the payment was for actual costs incurred and did not exceed \$10,000. 					

COMMUNITY COLLEGE _____**June 30, 2004****SINGLE AUDIT**
COMMON REQUIREMENTS

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p>L. <u>REPORTING:</u></p> <ol style="list-style-type: none"> 1. Review applicable laws, regulations, and the provisions of contract and grant agreements pertaining to the program for reporting requirements. 2. Determine the types and frequency of required reports. 3. Obtain and review instructions from federal awarding agency, or pass-through entity in the case of a subrecipient, for completing the reports. <ol style="list-style-type: none"> a. For financial reports, determine the accounting basis used in reporting the data (i.e. cash or accrual). b. For performance and special reports, determine the criteria and methodology used in compiling and reporting the data. 4. Perform appropriate analytical procedures and determine the reason for any unexpected differences. Examples of analytical procedures include: <ol style="list-style-type: none"> a. Comparing current period reports to prior periods. b. Comparing anticipated results to the data included in the reports. c. Comparing information obtained during the audit of the financial statements to the report. 5. Select a sample of each of the following report types. <ol style="list-style-type: none"> a. Financial reports: <ol style="list-style-type: none"> 1) Determine if the financial reports were prepared in accordance with the required accounting basis. 2) Trace the amounts reported to accounting records that support the audited financial statements and the schedule of expenditures of federal awards and verify agreement. b. Performance reports: <ol style="list-style-type: none"> 1) Trace data to records that accumulate and summarize data. 2) Perform tests of the underlying data to verify that the data were accumulated and summarized in accordance with the required or stated criteria and methodology. c. When intervening computations or calculations are required between the records and the reports, trace reported data elements to supporting worksheets or other documentation that link reports to data. 					

COMMUNITY COLLEGE**June 30, 2004****SINGLE AUDIT**
COMMON REQUIREMENTS

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p>d. Test mathematical accuracy of reports and supporting worksheets.</p> <p>6. Test selected reports for completeness:</p> <p>a. For financial reports, review accounting records and determine if all applicable accounts were included in the sampled reports.</p> <p>b. For performance and special reports, review supporting records and determine if all applicable data elements were included in the sampled report.</p> <p>7. Obtain written representation from management that the reports provided to the auditor are true copies of the reports submitted or electronically transmitted to the federal awarding agency or pass-through entity in the case of a subrecipient.</p> <p>M. <u>SUBRECIPIENT MONITORING:</u></p> <p>1. Review College's subrecipient monitoring policies and procedures and discuss with the College's staff to gain an understanding of the scope, frequency and timeliness of monitoring activities, including the number, size and complexity of awards to subrecipients.</p> <p>2. Test award documents to determine if the College makes subrecipients aware of the award information and requirements imposed by laws, regulations, and the provisions of contract and grant agreements and the activities approved in the award documents were allowable.</p> <p>3. Review the College's documentation of during-the-award monitoring to determine if the College provides reasonable assurance that subrecipients used federal funds for authorized purposes, complied with laws and regulations, provisions of contracts and grant agreements and achieved performance goals.</p> <p>4. Review the College's follow up to ensure corrective action on deficiencies noted during the award monitoring.</p> <p>5. Verify that the College receives audit reports from subrecipients required to have an audit in accordance with OMB Circular A-133, issues management decisions on audit findings within six months after receipt of the subrecipient's audit report, and requires subrecipients to take appropriate and timely corrective action on deficiencies identified in audit findings.</p> <p>6. Verify that in cases of continued inability or unwillingness of a subrecipient to have required audits, the College took appropriate action using sanctions.</p>					

COMMUNITY COLLEGE _____**June 30, 2004****SINGLE AUDIT**
COMMON REQUIREMENTS

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p>7. Verify that the effects of subrecipient non-compliance are properly reflected in the College's records.</p> <p>8. Document the College's procedures for monitoring subrecipients who are not required to have an A-133 audit (total expenditures of federal awards of less than \$500,000). Verify the procedures for reasonableness and adequacy.</p> <p>N. <u>SPECIAL TESTS AND PROVISIONS:</u></p> <p>1. Review the laws, regulations, and provisions of grant and contract agreements to identify special tests and provisions.</p> <p>2. Develop procedures to test these requirements.</p>					

COMMUNITY COLLEGE _____**June 30, 2004****SINGLE AUDIT**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<u>MISCELLANEOUS PROVISIONS:</u> A. If the College is a pass-through agency of federal funds, ensure the appropriate receipts/revenues and disbursements/expenditures are recognized in compliance with GASB 24. B. Obtain Data Collection Form. C. Prepare notification letters to pass-through entities not required to receive a reporting package. D. Obtain Corrective Action Plan for Federal Audit Findings from College (prepared on College letterhead) and review for propriety. E. Obtain Summary Schedule of Prior Federal Audit Finding from College (prepared on College letterhead) and review for propriety. F. Determine if risk of material misstatement due to fraud has changed based on results of substantive tests performed. If so, perform appropriate procedures.					

SINGLE AUDIT

[illegible]

COMMUNITY COLLEGE _____**June 30, 2004****RELATED PARTIES**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
Audit Objectives: A. There has been a search for and evaluation of related party transactions and these transactions are properly disclosed in the financial statements. Audit Procedures: A. At the start of the audit, update the understanding of the identity of related parties and the business purpose of significant related party transactions by inquiry and other general procedures, including information obtained while planning the audit. B. Provide audit staff with the names of known related parties and information on the existence of known material transactions with related parties. C. Consider whether the results of other general procedures (e.g., reading minutes, subsequent events review, etc.) and procedures applied to specific accounts (e.g., review of payees in cash disbursements transactions tested, review of confirmation responses for compensating balances or guarantees for related parties, etc.) indicate the existence of related party transactions, and summarize the transactions noted. D. Inquire of management about the existence of related party transactions. E. Consider obtaining a confirmation using a "related party questionnaire" from appropriate members of management and the governing body. (An example of a related-party confirmation can be found in AICPA Audit and Accounting Manual, section 7200.30.) F. Consider whether related party transactions are occurring but not being recognized in the accounting records. G. Assist drafting, or review, the related party note to the financial statements. H. Determine if the risk of material misstatement due to fraud has changed based on results of substantive tests performed. If so, perform appropriate procedures.					

RELATED PARTIES

[illegible]

COMMUNITY COLLEGE _____**June 30, 2004****CONTACT/CREDIT HOURS**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p>Audit Objective:</p> <p>A. To determine if the College complied with the Iowa Department of Education (DE) requirements for recording and reporting credit and / or contact hours.</p> <p>Note: To be reported on a credit hour basis, courses must meet certain requirements established by DE. Courses that do not meet the DE requirements are to be reported as contact hours.</p> <p>Audit Procedures:</p> <p>A. Obtain and review appropriate reference material:</p> <ol style="list-style-type: none"> 1. Iowa Administrative Code (Education Department) Chapter 281-21.45 (260C) Funding Plan and 281-21.2(13) (definition of a credit hour). 2. Iowa Department of Education memos to the Community Colleges regarding credit/contact hours. 3. Iowa Department of Education 2002 Year-End Reporting Manual. 4. Iowa Department of Education Iowa Community College MIS Data Dictionary. <p>B. Obtain a copy of the DE reconciled MIS summary from the Iowa Department of Education (contact Michelle Tosel at 515-281-3550).</p> <p>C. Obtain a copy of the point in time MIS Student Enrollment File used for calculating end of year data from the College.</p> <p>D. Obtain or prepare a summary schedule by category of credit and contact hours. If the schedule is obtained from the college verify the accuracy of the schedule.</p> <p>E. Review the policies and procedures established and used by the College for reporting credit and/or contact hours.</p> <p>F. Determine whether those policies and procedures comply with the requirements included in the Year End Reporting Manual and consider the following areas(Iowa Administrative Code Chapter 281-21.45(1) Definitions):</p> <p>Credit and contact hours are defined as follows:</p> <p><u>Credit hour</u> = see Iowa Administrative Code Chapter 281-21.2(13)</p> <p><u>Contact hour</u> = A non-credit course equals 50 minutes of contact between an instructor and students in a scheduled course offering for which students are registered.</p>					

COMMUNITY COLLEGE**June 30, 2004****CONTACT/CREDIT HOURS**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p>For a noncredit course to be eligible for general state financial aid, the course must fit within one of the following 10 categories:</p> <ul style="list-style-type: none"> - <u>Community resource development</u>: courses that provide participants with information which may result in improved and enhanced community resources or community development programs. - <u>State-mandated or state-approved</u>: organized educational instruction designed to meet legislated or licensing requirements as defined in the Code of Iowa. The educational curriculum for such instruction is approved by the Iowa Department of Education, licensing boards or state departments. - <u>Legal and consumer rights</u>: a group of instructional courses that provide the opportunity to become a better-informed and more thoughtful consumer and identify the consumer's rights and obligations under a contract. - <u>Health</u>: courses designed to enhance understanding, attitudes, and practices relating to individual, family and community health. Instruction is based on scientific facts that serve as a foundation for decision making and action to achieve health potentials. - <u>Employment and business</u>: learning activities that are designed to develop skills needed to obtain and enhance employment. The activities will provide an understanding of business principles and practices having applications in business and industry locally, regionally, nationally, and internationally. - <u>Programs for individuals with restricted incomes</u>: a group of instructional courses designed for individuals living on a restricted income. These individuals include the elderly, widows and widowers, unemployed or those receiving financial aid from federal and state welfare agencies and organizations. Each course offered in this classification must clearly indicate that it is offered for restricted-income individuals, and enrollment efforts must be directed to these individuals. - <u>Environmental education</u>: instructional courses designed to assist individuals to understand the effect upon one's health and well-being of environmental factors such as water supply, pollution control, food contamination, air pollution, radiation exposure, and hazardous materials. 					

COMMUNITY COLLEGE**June 30, 2004****CONTACT/CREDIT HOURS**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<ul style="list-style-type: none"> - <u>Consumer and homemaking adult education</u>: instructional courses designed to include instruction on child development, care and guidance; clothing and textiles; consumer education; family/individual health; family living and parenthood; food and nutrition; home management (including resource management); and housing, home furnishing and equipment. - <u>Adult vocational training/retraining education</u>: individual vocational courses, each complete in itself and designed for the specific purpose of training persons for upgrading the skills of persons presently employed, and retraining persons for new employment. - <u>ABE/adult high school completion/ESL</u>: includes adult basic education, adult high school completion and English as a second language. <p>G. Determine the completeness of the DE reconciled MIS summary by comparing to supporting documentation maintained at the College.</p> <p>H. Student Enrollment Files</p> <ol style="list-style-type: none"> 1. Reconcile the information on the file to the DE reconciled MIS summary obtained from the Iowa Department of Education. 2. From the Credit Student Information File, Noncredit Student Information File, and Credit Student Course File, select a number of students and test the following: <ol style="list-style-type: none"> a. Determine that the course is properly classified. (i.e. Arts & Science, Vocational Technical, etc). Note: This classification may be based on the students major rather than the class itself. b. Determine that the student was properly enrolled in the course. Trace to enrollment form or registration form. c. Determine if the course is properly shown as a credit or contact hour(noncredit) course. (If course is shown as a credit course, it must be an Arts and Science and/or a Vocational Technical program.) d. Recalculate the number of credit and/or contact hours reported. e. Determine that the student was properly shown as eligible or ineligible for general state financial aid purposes. DE has defined ineligible students as: 					

COMMUNITY COLLEGE**June 30, 2004****CONTACT/CREDIT HOURS**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p>1) Enrolled in courses that deal with recreation, hobbies, casual culture or self-enjoyment subjects.</p> <p>2) Programs or contracts funded from 260E (Industrial New Jobs Training) sources.</p> <p>3) Students in high school completion programs registered with a community college on or before the third Friday in September, which are claimed for funding by a K-12 school district.</p> <p>5) Students registered as a part of the Iowa Department of Corrections contracts through the state penal institutions or the Iowa Department of Human Services contracts</p> <p>6) Students served for the sole purpose of testing, i.e. GED, CLEP, ACT, Nurse Aid, etc.</p> <p>7) Students who reside in nursing homes.</p> <p>I. Adult Basic Education(ABE)</p> <p>1. Reconcile support maintained by the College to the DE reconciled MIS summary.</p> <p>2. Trace individual information to supporting documentation.</p> <p>J. In order to be eligible for inclusion in the credit hour calculation, a student enrolled in a credit course must be enrolled or paid by the fourteenth calendar day of the term or the course. If a student withdraws prior to the fourteenth calendar day or enters the course after the fourteenth calendar day they are considered ineligible. Students must be officially enrolled to be eligible. Those on a "wait list" for enrollment in a class are not eligible. Trace to student withdrawal slips and determine the actual date withdrawn and the date posted to the system.</p> <p>K. Compare the current year's eligible and non-eligible enrollment data on the DE reconciled MIS summary report to prior year's data on the CE-4B by category. (Category is defined as Arts & Science, Vocational Technical, etc.) Obtain and explain the reasons for material changes from last year.</p> <p>L. Determine the correlation between enrollment and tuition revenue. Using this correlation, determine if the total credit and contact hours reported on the DE reconciled MIS summary are reasonable (Note: the College may already perform this analysis. If so, review the College's calculation for reasonableness). If the College does not charge a variable rate or cap tuition at the same level there should be a positive correlation of 1.0 between the enrollment</p>					

COMMUNITY COLLEGE _____

June 30, 2004

CONTACT/CREDIT HOURS

[illegible]

COMMUNITY COLLEGE _____**June 30, 2004****MISCELLANEOUS**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
Audit Objectives: A. The budget was properly adopted and the College complied with legal requirements. B. The College complied with other statutory requirements. Audit Procedures: A. Budget <ol style="list-style-type: none"> Obtain a copy of the adopted budget. Obtain a copy of each notice, record of hearing and certificate to amend current budget. Determine that the State Board approved the budget. Examine proof of publication for published budget and reconcile to adopted budget. Examine proof of publication for each budget amendment. Determine that hearings were held and publications were made in accordance with Chapter 24.9 of the Code of Iowa. Determine accuracy of budget amendments. Determine if amendments were adopted before disbursements exceeded the budget. Determine, if applicable, that: <ol style="list-style-type: none"> Budgets were amended by May 31. Protests, if any, were decided by the State Appeal Board by June 30. Prepare a workpaper to compare disbursements by fund/function with the budget or amended budget and document and report any overexpenditures. B. Publication <ol style="list-style-type: none"> Determine that a summarized statement showing receipts and disbursements for all funds of the College were published during the second week in August in accordance with Chapter 260C.14(12) of the Code of Iowa. NOTE: The statement of disbursements shall show the name of persons, firms, corporations, and the total amount paid to each. Review College policy for purchasing to determine compliance with Chapter 73A of the Code of Iowa. <ol style="list-style-type: none"> Examine proof of two publications for advertisement for bids on public improvement. Examine proof of publication for hearing on public improvement contracts to cost \$25,000 or more. 	A				
	B				

COMMUNITY COLLEGE _____**June 30, 2004****MISCELLANEOUS**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p>C. Vehicle Usage</p> <ol style="list-style-type: none"> 1. Determine if College provides vehicles for employee use. 2. Obtain copy of College's policy regarding vehicle usage. Identify specifics for: <ol style="list-style-type: none"> a. Incidental personal use. b. Commuting. c. Assignment of vehicles. d. Documentation required. e. Restricted vehicle uses. f. Reimbursement by employee for personal use. g. Additional compensation for employees. h. Public purpose served. i. Other. 3. Determine if College's procedures are adequate and reasonable to comply with: <ol style="list-style-type: none"> a. Recordkeeping requirements. b. Taxation requirements. c. Public purpose requirements. 	B				
<p>D. Reporting</p> <ol style="list-style-type: none"> 1. Reconcile Annual Report submitted to the Iowa Department of Education with the College's ledger. Investigate variances, consider adjustment and/or comment for material variances. 2. For a College with an approved quality instructional center, review the annual report submitted to DE for accuracy and completeness. 3. Review the annual report submitted to DE, which identifies each staff development activity and the expenditures for each activity, for accuracy and completeness. 4. Review reports submitted for the Vocational-technical technology improvement program for accuracy and completeness. 	B				

June 30, 2004

MISCELLANEOUS

[illegible]

COMMUNITY COLLEGE _____**June 30, 2004****28E ENTITIES WITH GROSS RECEIPTS
OVER \$100,000**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
Audit Objectives: A. To provide for the examination of financial condition and transactions of 28E organizations accounted for by the College, in accordance with Chapter 11.6 of the Code of Iowa. Audit Procedures: A. Identify any 28E organizations for which the College performs receipt and disbursement functions for, and for which gross receipts were in excess of \$100,000 during the fiscal year. B. Discuss with a responsible official of the 28E's governing body the Code requirement for an audit, and determine whether the governing body wants the audit conducted at the same time as the College's audit: 1. Document name of responsible official and discussion. 2. Obtain the organization's concurrence to conduct the audit. Ask for the concurrence in writing. Governing body action may be required. 3. Discuss billing arrangements. C. If organization concurs to an audit, perform the following: 1. Review and document the organization's internal control. 2. Review and test receipts, disbursements, payroll and any other significant transaction cycles as considered necessary. If payroll is not processed with the College's payroll system, review payroll withholdings and quarterly reports. 3. Prepare a separate statement of changes in assets and liabilities for inclusion in the College's audit report. D. Determine if the risk of material misstatement due to fraud has changed based on results of substantive tests performed. If so, perform appropriate procedures.					
	A				
	A				

**28E ENTITIES WITH GROSS RECEIPTS
OVER \$100,000**

[illegible]

COMMUNITY COLLEGE**June 30, 2004****COMPLETION OF AUDIT**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
Audit Objectives: A. Written representations have been obtained from responsible officials. B. Misstatements discovered during the audit have been evaluated. C. Financial statements are fairly presented. D. The effect on the auditor's report of GAAP departures, scope limitations, uncertainties, other auditors, or other matters has been evaluated. E. Reportable conditions have been communicated to the appropriate parties. F. Significant commitments, contingencies and subsequent events that may require disclosure have been identified. Audit Procedures: A. Inquire as to whether all funds have been brought to our attention. B. Identify any commitments, contingencies and subsequent events that may require disclosure. <ol style="list-style-type: none"> 1. In connection with litigation and claims, perform the following procedures: <ol style="list-style-type: none"> a. Obtain from College officials a description and evaluation of litigation and asserted and unasserted claims. b. Examine documents in the College's possession concerning the above matters. c. Review invoices for legal services and consider whether any other matters in addition to the above were disclosed during the course of the audit. d. Review attorney's letter for matters requiring disclosure. 2. Complete review of minutes through end of field work for subsequent events. 3. Inquire of College officials about existence of material subsequent transactions or events and significant matters unresolved at year end. 4. Scan records subsequent to period under audit for significant unusual receipts, payments and non-standard entries. C. Determine if footnote disclosure is needed and obtain documentation for the following items. (For entities with unusual types of activities, consider reviewing the AICPA Disclosure Checklist.) <ol style="list-style-type: none"> 1. Lease commitments (capital/operating). 2. Construction commitments. 	F				
	F				

COMMUNITY COLLEGE _____**June 30, 2004****COMPLETION OF AUDIT**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
3. Contracts. 4. Subsequent events. 5. Lawsuits. 6. Other commitments and contingencies (including outstanding indebtedness of others guaranteed by the College; moral obligations; and no-commitment debt). 7. Health insurance trust. 8. Relationships with organizations other than component units: a. Related organizations. b. Joint ventures. c. Jointly governed organizations. d. Component units and related organizations with joint venture characteristics. e. Pools. f. Undivided interests. g. Cost-sharing arrangements. 9. Reportable Segment(s) (any activity or grouping of activities for which revenue-backed debt is outstanding, specific revenue streams backing debt can be identified, and there are identifiable assets, liabilities, revenues and expenses that are required to be accounted for separately) GASB 35. 10. Accumulated Depreciation / Current year Depreciation Expense. 11. Other pertinent information. D. Review important transactions from the balance sheet date to report date and inquire of responsible official as to any material adverse changes in financial position. E. Summarize and evaluate misstatements noted during the audit, including both known and likely misstatements. (SAS 98) F. Evaluate whether there could be substantial doubt about the College's ability to continue as a going concern. G. Summarize reportable conditions and identify material weaknesses. H. Perform limited procedures to Required Supplementary Information (RSI), as required by SAS No. 52: 1. Inquire of management about the methods used in preparing the information.					
	F				
	B				
	D				
	E				

COMMUNITY COLLEGE**June 30, 2004****COMPLETION OF AUDIT**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p>2. Compare the information for consistency with management's responses to the foregoing inquiries, audited financial statements, and other knowledge obtained during the examination of the financial statements.</p> <p>3. Consider whether representation on RSI should be included in specific written representations obtained from management. (SAS 85)</p> <p>4. Apply additional procedures, if any, that other statements, interpretations, guides, or statements of position prescribe for specific types of RSI.</p> <p>5. Make additional inquiries if application of the foregoing procedures causes the auditor to believe that the information may not be measured or presented within applicable guidelines.</p> <p>I. Review the reasonableness of the Management's Discussion and Analysis which is limited to the following required elements: (GASB 34 par. 11)</p> <p>1. A brief discussion of the basic financial statements, including the relationships of the statements to each other, and the significant differences in the information they provide.</p> <p>2. Condensed financial information derived from entity wide financial statements comparing the current year to the prior year.</p> <p>3. An analysis of the government's overall financial position and results of operations to assist users in assessing whether financial position has improved or deteriorated as a result of the year's operations.</p> <p>4. An analysis of balances and transactions of individual funds. The analysis should address the reasons for significant changes in fund balances or fund net assets and whether restriction, commitments, or other limitations significantly affect the availability of resources for future use.</p> <p>5. An analysis of significant variations between original and final budget amounts and between final budget amounts and actual budget results for the general fund.</p> <p>6. A description of significant capital assets and long-term debt activity during the year, including commitments made for capital expenditures, changes in credit ratings, and debt limitations that may affect the financing of planned facilities or services.</p> <p>7. If applicable, a discussion of the modified approach to report some or all of the infrastructure assets.</p>					

COMMUNITY COLLEGE**June 30, 2004****COMPLETION OF AUDIT**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
8. A description of currently known facts, decisions, or conditions that are expected to have a significant effect on financial position or results of operations.					
J. Perform a retrospective review of significant accounting estimates reflected in prior year financial statements and consider whether the underlying assumptions in the prior year indicate a possible bias on the part of management. Consider whether the results of the review provide additional information about possible bias in making current year estimates. If possible bias is identified, evaluate whether the circumstances represent a risk of material misstatement due to fraud. (AU 316.64)					
K. Evaluate and document the business rationale for significant unusual transactions. (AU 316.66)					
L. Draft audit report, including opinions, financial statements, notes, supplemental information and other reports. Date of report should be the same date as the end of fieldwork. Determine that preparation of the draft audit report will not impair independence.	C,E				
M. Determine and document type of opinion rendered for each opinion unit. Document reasons for variances from unqualified opinion.	C,D				
N. Perform analytical procedures for overall review of financial statements. Document the consideration of the following:	C				
1. The adequacy of evidence gathered in response to unusual or unexpected balances identified in planning the auditor in the course of the audit.					
2. Unusual or unexpected balances or relationships that were not previously identified.	C				
O. Conduct an exit conference with the College, including its audit committee if possible.	E				
1. Discuss comment and recommendation process.					
2. Stress preliminary nature of exit pending subsequent in-office work and review.					
3. Document communication of material, nonmaterial, reportable and non-reportable items.					
4. Audit and accounting problems that may affect the audit bill.					
5. Uncorrected misstatements which are believed to be immaterial.					
P. Obtain written representation letter.	A				
1. Modify, as necessary, for related party/business transactions, federal program representations, and/or other items.					

June 30, 2004

COMPLETION OF AUDIT

[illegible]

June 30, 2004

AUDIT AND ACCOUNTING PROBLEMS

[illegible]

June 30, 2004

CONFERENCES

[illegible]

ITEMS FOR COMMENT-
STATUTORY AND OTHER LEGAL MATTERS

[illegible]

2 – Reported in Other Findings Related to Required Reporting.

June 30, 2004

[illegible]

1 – Reported in Findings Related to the General Purpose Financial Statements.
2 – Reported in Other Findings Related to Required Reporting.

June 30, 2004

ITEMS FOR COMMENT

[illegible]

R/C = Reportable Conditions

June 30, 2004

ITEMS FOR NEXT YEAR

[illegible]

Initial	Date

Opinion Unit _____

This form should be used to accumulate known audit differences by opinion unit detected by non-sampling substantive tests (including differences in accounting estimates) and projected audit differences from substantive tests that used sampling. A separate Audit Difference Evaluation Form should be maintained for each opinion unit. Use whole dollars only.

				Financial Statements Effect - Amount of Over (Under) Statement of:						
K/P	Description (Nature) of Audit Difference	Amount	Work- paper Ref.	Total Assets	Total Liab.	Fund Equity	Revenues	Expend.	Excess of Rev. over Expend. (a)	Working Cap. (b)
Unadjusted audit differences - this year										
Effect of unadjusted audit differences – last year										
Net audit difference										
Financial statement caption totals										
Net audit differences as a % of F/S captions										

Are any of the audit differences identified above indicative of fraud? Yes _____ No _____
If yes, contact the Manager.

COMMUNITY COLLEGE _____**June 30, 2004****OPINION, DISCLOSURES AND
OTHER REPORT INFORMATION****A. Report on the financial statements:****1. Type of opinion rendered for each opinion unit and reason for modification of opinion, if applicable**

<input type="checkbox"/> Governmental Activities	U	Q	D	A
<input type="checkbox"/> Business – Type Activities	U	Q	D	A
<input type="checkbox"/> Major Fund – General	U	Q	D	A
<input type="checkbox"/> Additional Major Fund	U	Q	D	A
<input type="checkbox"/> Additional Major Fund	U	Q	D	A
<input type="checkbox"/> Additional Major Fund	U	Q	D	A
<input type="checkbox"/> Aggregate Remaining Fund Information	U	Q	D	A
<input type="checkbox"/> Aggregate Discretely Presented Component Units	U	Q	D	A

2. Supplemental information accompanying basic financial statements (AU 551) (check applicable):

- ☐ Include “in relation to” opinion.
- ☐ Disclaim opinion on unaudited information.
- ☐ Prior year information audited by AOS and type of opinion(s) rendered:

<input type="checkbox"/> 2001	U	Q	D	A
<input type="checkbox"/> 2002	U	Q	D	A
<input type="checkbox"/> 2003	U	Q	D	A

- ☐ Prior year information audited by other auditors and type of opinion(s) rendered:

<input type="checkbox"/> 2001	U	Q	D	A
<input type="checkbox"/> 2002	U	Q	D	A
<input type="checkbox"/> 2003	U	Q	D	A

COMMUNITY COLLEGE _____**June 30, 2004****OPINION, DISCLOSURES AND
OTHER REPORT INFORMATION**

W/P Ref.	Item	Note No.
	B. Notes to Financial Statements:	
	Summary of Significant Accounting Policies	1
	Budgets and Budgetary Accounting	2
	Cash and Pooled Investments	3
	Inventories	
	Capital Assets	
	Pension and Retirement Benefits	
	Anticipatory Warrants	
	Iowa School Cash Anticipation Program (ISCAP)	
	Changes in Long-Term Debt	
	Lease Purchase Agreements	
	Certificates Payable	
	Bonds and Notes Payable	
	Risk Management	
	Related Organizations	
	NJTP Programs	
	Contingencies	
	Commitments	
	Subsequent Events	
	Compensated absences	
	Segment Reporting (Bond issues etc)	
	Scholarship / Discount Allowances	
	Accumulated Depreciation / Depreciation Expense	
	Self Insurance	
	Prior Period Adjustment	
	Interfund Transfers	
	Other	

COMMUNITY COLLEGE _____**June 30, 2004****OPINION, DISCLOSURE AND
OTHER REPORT INFORMATION**

Y = Yes N = No N/A = Not Applicable

C. IAR on Compliance and on Internal Control Over Financial Reporting:

1. Instances of material non-compliance	<u>Y</u> <u>N</u>	<u>GF-12's</u>
2. Instances of non-material non-compliance	<u>Y</u> <u>N</u>	<u>GF-12's</u>
3. No instances of non-compliance	<u>Y</u> <u>N</u>	<u>GF-12's</u>
4. Reportable Conditions	<u>Y</u> <u>N</u>	<u>GF-12's</u>
5. Material Weaknesses	<u>Y</u> <u>N</u>	<u>GF-12's</u>
6. Follow-up of prior year comments:		
a. Compliance		Repeat Some/All Resolved/N/A
b. Internal control		Repeat Some/All Resolved/N/A

D. IAR on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance:

1. Instances of non-compliance		See next page
2. Reportable Conditions	<u>Y</u> <u>N</u>	<u>GF-12's</u>
3. Material Weaknesses	<u>Y</u> <u>N</u>	<u>GF-12's</u>
4. Follow-up of prior year comments:		
a. Compliance		Repeat Some/All Resolved/N/A
b. Internal control		Repeat Some/All Resolved/N/A

E. Because this audit is being conducted under Chapter 11 of the Code of Iowa, Government Auditing Standards and OMB Circular A-133, users of the report are presumed to be aware of the conditions under which the report is issued, including the requirements of state law that requires the report to be open to the public.

F. Dollar threshold used to distinguish between Type A and Type B programs \$_____ GF-1's

G. College qualified as low-risk auditee Y N GF-1's

COMMUNITY COLLEGE**June 30, 2004****OPINION, DISCLOSURE AND
OTHER REPORT INFORMATION**

	Major Program (CFDA #):					Major Program (CFDA #):				
	Require- ment Tested	Findings reported in Part III of SFQC	Type of finding reported in Part III	Material Weakness	Type of Opinion	Require- ment Tested	Findings reported in Part III of SFQC	Type of finding reported in Part III	Material Weaknes s	Type of Opinion
Common requirements (GF-9s):										
Activities Allowed or Unallowed	Y N/A	Y N/A	MNC,QC,RC,NONE	Y N/A	U,Q,D,A	Y N/A	Y N/A	MNC,QC,RC,NONE	Y N/A	U,Q,D,A
Allowable Costs/Cost Principles	Y N/A	Y N/A	MNC,QC,RC,NONE	Y N/A	U,Q,D,A	Y N/A	Y N/A	MNC,QC,RC,NONE	Y N/A	U,Q,D,A
Cash Management	Y N/A	Y N/A	MNC,QC,RC,NONE	Y N/A	U,Q,D,A	Y N/A	Y N/A	MNC,QC,RC,NONE	Y N/A	U,Q,D,A
Davis-Bacon Act	Y N/A	Y N/A	MNC,QC,RC,NONE	Y N/A	U,Q,D,A	Y N/A	Y N/A	MNC,QC,RC,NONE	Y N/A	U,Q,D,A
Eligibility	Y N/A	Y N/A	MNC,QC,RC,NONE	Y N/A	U,Q,D,A	Y N/A	Y N/A	MNC,QC,RC,NONE	Y N/A	U,Q,D,A
Equipment and Real Property	Y N/A	Y N/A	MNC,QC,RC,NONE	Y N/A	U,Q,D,A	Y N/A	Y N/A	MNC,QC,RC,NONE	Y N/A	U,Q,D,A
Matching, Level of Effort, Earmarking	Y N/A	Y N/A	MNC,QC,RC,NONE	Y N/A	U,Q,D,A	Y N/A	Y N/A	MNC,QC,RC,NONE	Y N/A	U,Q,D,A
Period of Availability of Federal Funds	Y N/A	Y N/A	MNC,QC,RC,NONE	Y N/A	U,Q,D,A	Y N/A	Y N/A	MNC,QC,RC,NONE	Y N/A	U,Q,D,A
Procurement, Suspension and Debarment	Y N/A	Y N/A	MNC,QC,RC,NONE	Y N/A	U,Q,D,A	Y N/A	Y N/A	MNC,QC,RC,NONE	Y N/A	U,Q,D,A
Program Income	Y N/A	Y N/A	MNC,QC,RC,NONE	Y N/A	U,Q,D,A	Y N/A	Y N/A	MNC,QC,RC,NONE	Y N/A	U,Q,D,A
Real Property Acquisition and Relocation Assistance	Y N/A	Y N/A	MNC,QC,RC,NONE	Y N/A	U,Q,D,A	Y N/A	Y N/A	MNC,QC,RC,NONE	Y N/A	U,Q,D,A
Reporting	Y N/A	Y N/A	MNC,QC,RC,NONE	Y N/A	U,Q,D,A	Y N/A	Y N/A	MNC,QC,RC,NONE	Y N/A	U,Q,D,A
Subrecipient Monitoring	Y N/A	Y N/A	MNC,QC,RC,NONE	Y N/A	U,Q,D,A	Y N/A	Y N/A	MNC,QC,RC,NONE	Y N/A	U,Q,D,A
Special Tests and Provisions	Y N/A	Y N/A	MNC,QC,RC,NONE	Y N/A	U,Q,D,A	Y N/A	Y N/A	MNC,QC,RC,NONE	Y N/A	U,Q,D,A

U = Unqualified MNC = Material noncompliance
 Q = Qualified QC = Questioned Cost > \$10,000
 D = Disclaimer RC = Reportable Condition
 A = Adverse
 NONE = None required to be reported

Y = Yes
 N/A = Not applicable

COMMUNITY COLLEGE**June 30, 2004****OPINION, DISCLOSURE AND
OTHER REPORT INFORMATION**

	Major Program (CFDA #):					Major Program (CFDA #):				
	Require- ment Tested	Findings reported in Part III of SFQC	Type of finding reported in Part III	Material Weakness	Type of Opinion	Require- ment Tested	Findings reported in Part III of SFQC	Type of finding reported in Part III	Material Weakness	Type of Opinion
Common requirements (GF-9s):										
Activities Allowed or Unallowed	Y N/A	Y N/A	MNC, QC, RC, NONE	Y N/A	U, Q, D, A	Y N/A	Y N/A	MNC, QC, RC, NONE	Y N/A	U, Q, D, A
Allowable Costs/Cost Principles	Y N/A	Y N/A	MNC, QC, RC, NONE	Y N/A	U, Q, D, A	Y N/A	Y N/A	MNC, QC, RC, NONE	Y N/A	U, Q, D, A
Cash Management	Y N/A	Y N/A	MNC, QC, RC, NONE	Y N/A	U, Q, D, A	Y N/A	Y N/A	MNC, QC, RC, NONE	Y N/A	U, Q, D, A
Davis-Bacon Act	Y N/A	Y N/A	MNC, QC, RC, NONE	Y N/A	U, Q, D, A	Y N/A	Y N/A	MNC, QC, RC, NONE	Y N/A	U, Q, D, A
Eligibility	Y N/A	Y N/A	MNC, QC, RC, NONE	Y N/A	U, Q, D, A	Y N/A	Y N/A	MNC, QC, RC, NONE	Y N/A	U, Q, D, A
Equipment and Real Property	Y N/A	Y N/A	MNC, QC, RC, NONE	Y N/A	U, Q, D, A	Y N/A	Y N/A	MNC, QC, RC, NONE	Y N/A	U, Q, D, A
Matching, Level of Effort, Earmarking	Y N/A	Y N/A	MNC, QC, RC, NONE	Y N/A	U, Q, D, A	Y N/A	Y N/A	MNC, QC, RC, NONE	Y N/A	U, Q, D, A
Period of Availability of Federal Funds	Y N/A	Y N/A	MNC, QC, RC, NONE	Y N/A	U, Q, D, A	Y N/A	Y N/A	MNC, QC, RC, NONE	Y N/A	U, Q, D, A
Procurement, Suspension and Debarment	Y N/A	Y N/A	MNC, QC, RC, NONE	Y N/A	U, Q, D, A	Y N/A	Y N/A	MNC, QC, RC, NONE	Y N/A	U, Q, D, A
Program Income	Y N/A	Y N/A	MNC, QC, RC, NONE	Y N/A	U, Q, D, A	Y N/A	Y N/A	MNC, QC, RC, NONE	Y N/A	U, Q, D, A
Real Property Acquisition and Relocation Assistance	Y N/A	Y N/A	MNC, QC, RC, NONE	Y N/A	U, Q, D, A	Y N/A	Y N/A	MNC, QC, RC, NONE	Y N/A	U, Q, D, A
Reporting	Y N/A	Y N/A	MNC, QC, RC, NONE	Y N/A	U, Q, D, A	Y N/A	Y N/A	MNC, QC, RC, NONE	Y N/A	U, Q, D, A
Subrecipient Monitoring	Y N/A	Y N/A	MNC, QC, RC, NONE	Y N/A	U, Q, D, A	Y N/A	Y N/A	MNC, QC, RC, NONE	Y N/A	U, Q, D, A
Special Tests and Provisions	Y N/A	Y N/A	MNC, QC, RC, NONE	Y N/A	U, Q, D, A	Y N/A	Y N/A	MNC, QC, RC, NONE	Y N/A	U, Q, D, A

U = Unqualified MNC = Material noncompliance
 Q = Qualified QC = Questioned Cost > \$10,000
 D = Disclaimer RC = Reportable Condition
 A = Adverse
 NONE = None required to be reported

Y = Yes
 N/A = Not applicable

COMMUNITY COLLEGE _____**June 30, 2004****OPINION, DISCLOSURE AND
OTHER REPORT INFORMATION****REPORTING PACKAGES** – The following entities are required to receive a copy of the College's reporting package:

- 1) Federal Clearinghouse
- 2) Additional copies to the Federal Clearinghouse for each federal agency that provided **direct** funding when:

The Schedule of Findings and Questioned Costs disclose audit findings related to federal awards that the Federal Agency provided directly and/or,

The Summary Schedule of Prior Audit Findings reported the status of any audit findings related to federal awards that the federal agency provided directly.

List appropriate agencies, if any:

_____	_____
_____	_____
_____	_____

- 3) Grantor pass-through entities when:

The Schedule of Findings and Questioned Costs disclose audit findings related to federal awards that the pass-through entity provided and/or,

The Summary Schedule of Prior Audit Findings reported the status of any audit findings related to federal awards that the pass-through entity provided directly.

List appropriate agencies and their addresses, if any:

_____	_____
_____	_____
_____	_____
_____	_____

COMMUNITY COLLEGE _____**June 30, 2004****OPINION, DISCLOSURE AND
OTHER REPORT INFORMATION****NOTIFICATION LETTERS** – The following entities are required to receive an audit notification:

All pass-through entities not required to receive a copy of the reporting package (see previous page),

Circle applicable agencies:

Iowa Dept of Public Safety
Wallace State Office Building
LOCAL

Governor's Office on Drug Control Policy
Ola Babcock Miller Building
1112 East Grand Avenue,
2nd Floor
Des Moines, Iowa 50319

Iowa Dept of Human Services
Division of Fiscal Management
1st floor
Hoover State Office Building
LOCAL

Iowa Dept of Education
Grimes State Office Building
LOCAL

Iowa Dept of Public Health
Lucas State Office Building
LOCAL

Iowa Dept of Natural Resources
Wallace Building
LOCAL

Iowa Dept of Elder Affairs
Clemens Building
LOCAL

Iowa Dept of Economic Development
200 East Grand
Des Moines, Iowa 50309

Iowa Dept of Transportation
Attn. Don Breniman
800 Lincoln Way
Ames, IA 50010

Iowa Dept of Public Defense
Emergency Management Division
Hoover Building
LOCAL

List other agencies and their addresses:

June 30, 2004

CONFIRMATION CONTROL

[illegible]

June 30, 2004

WORKPAPER COPIES GIVEN
TO CLIENT AND
OUTSIDE PARTIES

[illegible]

June 30, 2004

PENDING MATTERS

[illegible]

REVIEW NOTES

[illegible]

COMMUNITY COLLEGE**June 30, 2004****INCHARGE REVIEW QUESTIONNAIRE**

QUESTION	YES	NO	N/A
1. Was the scope of our audit in accordance with our audit plan?			
2. Have you informed the Manager of all identified problems and internal control weaknesses that resulted in significant modification in the audit program, and have you obtained the Manager's concurrence with the modifications?			
3. Have you gathered enough evidence to satisfy the audit program objectives?			
4. Are you satisfied that the evidence gathered does not disclose suspicions of fraud, violations of statutory, regulatory and contractual provisions, or other illegal acts other than those noted in the statutory comments of the report?			
5. Are you satisfied that we have a reasonable basis for the expression of an opinion on each opinion unit and that the workpaper documentation supports the opinions we are expressing on the financial statements?			
6. Are you satisfied with the results of the limited procedures performed for required supplementary information (RSI), including management's discussion and analysis (MD&A) and other supplementary information?			
7. Are you satisfied there is not substantial doubt about the College's ability to continue as a going concern, or if there is substantial doubt, the appropriate disclosures were made and an explanatory paragraph was included in the Independent Auditor's Report.			
8. Are you satisfied that we have a reasonable basis for and the workpapers support our statement in the Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting for instances of non-compliance required to be reported under <u>Government Auditing Standards</u> ?			
9. Are you satisfied that we have a reasonable basis for expressing an opinion on the College's compliance with the common requirements applicable to major federal programs?			
10. Are you satisfied that we have obtained an adequate understanding of the design of internal controls, determined whether these controls have been placed in operation and assessed control risk?			
11. Are you satisfied that we have reduced the detection risk to a reasonable level?			
12. Have all applicable items on the audit planning, questionnaires and audit program been completed and workpapers properly indexed and signed or initialed by those doing the work?			
13. Have all significant unusual or unexpected balances or relationships noted during planning or the course of the audit been adequately investigated and documented?			
14. Has the work of all assistants been thoroughly reviewed?			
15. Have review notes been adequately resolved?			
16. Are you satisfied that the planned level of risk of material misstatement due to fraud did not increase based on the accumulated results of the audit procedures performed during field work?			

June 30, 2004

INCHARGE REVIEW QUESTIONNAIRE

QUESTION	YES	NO	N/A
17. Has there been appropriate communication with other audit team members throughout the audit regarding information or conditions indicative of risks of material misstatement due to fraud? (AU 316.74)			
18. Have you discussed with the client and prepared draft comments or memoranda regarding communication of the following to the client:			
a. Management suggestions?			
b. All reportable conditions and material weaknesses in internal controls that we observed?			
c. All immaterial items noted during our audit?			
d. Non-compliance with any statutory, regulatory or contractual requirements?			
e. Auditor's Reports on financial statements, compliance and internal controls?			
19. Has the audit report routing sheet:			
a. Been completed and signed off?			
b. Been completed for the report distribution section, including addresses for non-client report recipients?			
20. Has the news release draft been completed?			
21. Has a list been prepared of all significant pending matters which must be cleared before issuing the report?			
22. Has the Manager been informed of all pending matters?			
23. Have required engagement evaluation reports been completed by the appropriate person(s)?			
24. Are you satisfied that all audit work complied with professional standards and office policies?			
 <u>COMMENTS</u> (required for "No" answers): 			
Incharge _____ Date _____			
Manager _____ Date _____			
Independent Reviewer _____ Date _____			

COMMUNITY COLLEGE _____**June 30, 2004****MANAGER REVIEW QUESTIONNAIRE**

QUESTION	YES	NO	N/A
A. <u>GENERAL</u>			
1. Have you reviewed the workpapers and do you concur with the conclusions of the incharge?			
2. Have all exceptions noted on the Incharge Review Questionnaire been resolved?			
3. Are you satisfied that:			
a. The audit program was properly modified for identified problems and internal control weaknesses?			
b. Required supplemental information, if applicable, has been obtained and limited testing procedures have been performed?			
c. The judgments and conclusions reached are supported by documented evidence?			
d. Appropriate changes for the next audit, if any, have been summarized?			
e. All audit work conformed to the audit plan, scope and audit objective?			
f. Significant unusual or unexpected balances or relationships noted during planning or the course of the audit have been adequately investigated and documented?			
g. Nothing was noted that indicated an increased level of risk of material misstatement due to fraud.			
4. Do the workpapers include adequate documentation as to:			
a. Changes in accounting policies?			
b. Conformity with U.S. generally accepted accounting principles or another comprehensive basis of accounting, if appropriate?			
c. Conformity with U.S. generally accepted government auditing standards?			
d. Conformity with statutory, regulatory and contractual provisions?			
e. Adequacy of disclosure?			
f. Compliance with office policies?			
5. Have applicable questionnaires been completed?			
6. Have all applicable procedures been performed and signed off?			

COMMUNITY COLLEGE _____**June 30, 2004****MANAGER REVIEW QUESTIONNAIRE**

QUESTION	YES	NO	N/A
7. Have all review comments been cleared with adequate documentation of disposition?			
8. Have required performance evaluations been completed?			
B. <u>FINANCIAL STATEMENTS AND AUDIT REPORT</u>			
1. Are the financial statements adequately referenced to footnote disclosures?			
2. Are the dates covered by the financial statements correct?			
3. Are all material facts disclosed which are necessary to NOT make the financial statements misleading?			
4. Have all material and/or extraordinary subsequent events been evaluated and properly disclosed?			
5. Is there adequate documentation in the workpapers to support the footnotes?			
6. Do the footnotes clearly explain the facts?			
7. Is the nature of each financial statement clearly indicated by its title?			
8. Do the financial statements maintain a uniform manner of format, capitalization, headings and appearance in general within itself?			
9. Is our audit report addressed to the proper party?			
10. Does our opinion for each opinion unit properly state the responsibility we wish to assume?			
11. Has adequate audit work been performed to support the opinion on the financial statements that we are rendering?			
12. Is the report dated as of the last day of fieldwork?			
13. Is any data in the footnotes that requires special mention, with respect to the date of our report, appropriately reflected in the date of our report?			
14. Is our opinion on the supplemental financial information proper and supported by our audit?			
15. Are disclosures in each opinion unit, financial statements, and notes to financial statements adequate and do they clearly communicate the facts?			
16. Have you performed final analytical procedures including a comparison of the financial statements to the prior year?			

COMMUNITY COLLEGE _____**June 30, 2004****MANAGER REVIEW QUESTIONNAIRE**

QUESTION	YES	NO	N/A
17. Are you satisfied that the audit did not disclose any suspicions of irregularities, violations of statutory, regulatory and contractual provisions or other illegal acts other than those noted in the statutory comments of the report?			
18. Have the following been discussed with appropriate client officials and arrangements been made to get responses, if appropriate:			
a. Management suggestions?			
b. All reportable conditions and material weaknesses in internal control that we observed?			
c. All immaterial items?			
d. Non-compliance with any statutory, regulatory or contractual requirements?			
e. Auditor's Report?			
C. <u>IAR on Compliance and on Internal Control Over Financial Reporting:</u>			
1. Has adequate work been performed to support our statement on instances of non-compliance required to be reported under <u>Government Auditing Standards</u> ?			
2. Have appropriate exceptions been noted for items of non-compliance?			
3. Has adequate audit work been performed to support:			
a. Our understanding of internal controls?			
b. The determination of whether these controls have been placed in operation?			
c. Our assessment of control risk?			
4. Have all reportable conditions and material weaknesses been disclosed?			
D. <u>IAR on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance:</u>			
1. Has adequate audit work been performed to support the opinion we are giving on compliance with common requirements applicable to major Federal programs?			
2. Have appropriate exceptions been noted for items of non-compliance?			
3. Has adequate audit work been performed to support:			
a. Our understanding of internal controls?			

COMMUNITY COLLEGE _____**June 30, 2004****MANAGER REVIEW QUESTIONNAIRE**

QUESTION	YES	NO	N/A
b. The determination of whether these controls have been placed in operation?			
c. Our assessment of control risk?			
4. Have all reportable conditions and material weaknesses been disclosed?			
E. <u>REPORT PRODUCTION</u>			
1. Has the report routing sheet been completed?			
2. Does the draft audit report comply with professional and office reporting standards?			
<u>COMMENTS</u> (required for "No" answers):			
Manager _____ Date _____			
Independent Reviewer _____ Date _____			

COMMUNITY COLLEGE _____**June 30, 2004****INDEPENDENT REVIEW QUESTIONNAIRE**

QUESTION	YES	NO	N/A
1. Is the audit evidence and documentation for all significant unusual or unexpected balances or relationships noted during planning or the course of the audit adequate?			
2. Have you reviewed the audit conclusions on all material items in the financial statements?			
3. Have all review notes been adequately resolved?			
4. Have you reviewed and do you concur with the Incharge Review Questionnaire?			
5. Have you reviewed and do you concur with the Manager Review Questionnaire?			
6. Based on your review, are the financial statements fairly presented?			
7. For any significant unusual or unexpected balances or relationships noted in your review of the audit report that were not previously identified, has adequate evidence and documentation been obtained?			
8. Do the financial statements, supplemental information and the comments and recommendations appear to be materially correct?			
9. Is the required supplementary information (RSI) included, if applicable, and has it been evaluated for reasonableness?			
10. Is the auditor's report on financial statements appropriate, based on our audit and the financial statement presentation?			
11. Is the auditor's report on compliance and on internal control over financial reporting appropriate, based on our audit?			
12. Is the auditor's report on compliance with requirements applicable to each major program and internal control over compliance appropriate, based on our audit?			
13. Does the draft audit report comply with professional and office reporting standards?			
<u>COMMENTS</u> (required for "No" answers):			
<div style="display: flex; justify-content: space-between; align-items: flex-end;"> <div>Independent Reviewer _____</div> <div>Date _____</div> </div>			